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SENATE BILL 6276

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State of Washington

65th Legislature

2018 Regular Session

By Senators Carlyle and Hunt

Read first time 01/11/18. Referred to Committee on Energy,  
Environment & Technology.

1 AN ACT Relating to modernizing fuel content standards and  
2 references; amending RCW 19.112.010, 19.112.020, 19.112.030,  
3 19.112.050, 19.112.060, 19.112.110, 19.112.130, 19.112.900,  
4 42.56.270, 43.19.642, 43.19.646, 43.19.647, 82.08.865, 82.08.956, and  
5 82.12.956; reenacting and amending RCW 80.50.020; adding a new  
6 section to chapter 43.325 RCW; repealing RCW 19.112.040, 19.112.090,  
7 19.112.120, 19.112.140, 19.112.150, 19.112.160, 19.112.170,  
8 19.112.180, and 43.19.643; and prescribing penalties.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 **Sec. 1.** RCW 19.112.010 and 2009 c 132 s 1 are each amended to  
11 read as follows:

12 The definitions in this section apply throughout this chapter  
13 unless the context clearly requires otherwise.

14 (1) (~~"Alcohol fuel" means any alcohol made from a product other~~  
15 ~~than petroleum or natural gas that is used alone or in combination~~  
16 ~~with gasoline or other petroleum products for use as a fuel in self-~~  
17 ~~propelled motor vehicles.~~

18 (2) ~~"Alternative fuel" means all products or energy sources used~~  
19 ~~to propel motor vehicles, other than conventional gasoline, diesel,~~  
20 ~~or reformulated gasoline. Alternative fuel includes, but is not~~  
21 ~~limited to, liquefied petroleum gas, liquefied natural gas,~~

1 ~~compressed natural gas, biodiesel fuel, E85 motor fuel, fuels~~  
2 ~~containing seventy percent or more by volume of alcohol fuel, fuels~~  
3 ~~that are derived from biomass, hydrogen fuel, anhydrous ammonia fuel,~~  
4 ~~nonhazardous motor fuel, or electricity, excluding onboard electric~~  
5 ~~generation.~~

6 ~~(3) "Biodiesel fuel" means the monoalkyl esters of long chain~~  
7 ~~fatty acids derived from plant or animal matter that meet the~~  
8 ~~registration requirements for fuels and fuel additives established by~~  
9 ~~the federal environmental protection agency and standards established~~  
10 ~~by the American society of testing and materials.~~

11 ~~(4) "Diesel" means special fuel as defined in RCW 82.38.020, and~~  
12 ~~diesel fuel dyed in accordance with the regulations in 26 C.F.R. Sec.~~  
13 ~~48.4082-1T as of October 24, 2005.~~

14 ~~(5)) "Director" means the director of agriculture.~~

15 ~~((6) "E85 motor fuel" means an alternative fuel that is a blend~~  
16 ~~of ethanol and hydrocarbon of which the ethanol portion is nominally~~  
17 ~~seventy five to eighty five percent denatured fuel ethanol by volume~~  
18 ~~that complies with the most recent version of American society of~~  
19 ~~testing and materials specification D-5798.~~

20 ~~(7)) (2) "Motor fuel" ((means)) includes: (a) Any liquid product~~  
21 ~~used for the generation of power in an internal combustion engine~~  
22 ~~used for the propulsion of a motor vehicle upon the highways of this~~  
23 ~~state((τ)); (b) any diesel fuel dyed in accordance with federal~~  
24 ~~regulations that is used to power a motor vehicle; and (c) any~~  
25 ~~biodiesel fuel. ((Motor fuels containing ethanol may be marketed if~~  
26 ~~either (a) the base motor fuel meets the applicable standards before~~  
27 ~~the addition of the ethanol or (b) the resultant blend meets the~~  
28 ~~applicable standards after the addition of the ethanol.~~

29 ~~(8) "Nonhazardous motor fuel" means any fuel of a type~~  
30 ~~distributed for use in self-propelled motor vehicles that does not~~  
31 ~~contain a hazardous liquid as defined in RCW 19.122.020.~~

32 ~~(9) "Renewable diesel" means a diesel fuel substitute produced~~  
33 ~~from nonpetroleum renewable sources, including vegetable oils and~~  
34 ~~animal fats, that meets the registration requirements for fuels and~~  
35 ~~fuel additives established by the federal environmental protection~~  
36 ~~agency in 40 C.F.R. Part 79 (2008) and meets the requirements of~~  
37 ~~American society of testing and materials specification D-975.)~~

38 **Sec. 2.** RCW 19.112.020 and 2010 c 96 s 1 are each amended to  
39 read as follows:

1 (1) This chapter shall be administered by the director or ((his  
2 or her)) the director's authorized agent. ((For the purpose of  
3 administering this chapter, for motor fuel except biodiesel fuel,))

4 (2)(a) The director shall adopt rules for maintaining standards  
5 for motor fuel. The rules may include:

6 (i) All or part of the standards set forth in the Annual Book of  
7 ASTM Standards and ((supplements thereto,)) amendments and revisions  
8 thereof((, are adopted, together with));

9 (ii) All or part of the standards set forth in the national  
10 institute of standards and technology (NIST) handbook 130, uniform  
11 laws and regulations in the areas of legal metrology and engine fuel  
12 quality rules, and any supplements, amendments, or revisions thereof;  
13 and

14 (iii) Any applicable federal environmental protection agency  
15 standards.

16 (b) If a conflict exists between federal environmental protection  
17 agency standards, ASTM standards, NIST standards, or state standards,  
18 for purposes of uniformity, federal environmental protection agency  
19 standards shall take precedence over ASTM and NIST standards. Any  
20 state standards adopted must be consistent with federal environmental  
21 protection agency standards and ASTM and NIST standards not in  
22 conflict with federal environmental protection agency standards.

23 ~~((+2))~~ (3) The director may establish a fuel testing laboratory  
24 or may contract with a laboratory for testing.

25 (4) The director may ((also)) adopt rules on false and misleading  
26 advertising, labeling and posting of prices, ((and the standards  
27 for,)) and identity of((,)) motor fuels. ((The director shall require  
28 fuel pumps offering an ethanol blend to be identified by a label  
29 stating the percentage of ethanol and fuel pumps offering a biodiesel  
30 blend of up to and including five percent to be identified by a label  
31 that states "may contain up to five percent biodiesel." Biodiesel  
32 blends above five percent shall be identified by a label stating the  
33 percentage of biodiesel being offered.

34 ~~(3) The rules adopted under RCW 19.112.140 shall also provide~~  
35 ~~that the diesel refiner is responsible for meeting the ASTM standards~~  
36 ~~required by chapter 338, Laws of 2006 when providing diesel fuel into~~  
37 ~~the distribution system.))~~

38 **Sec. 3.** RCW 19.112.030 and 1990 c 102 s 4 are each amended to  
39 read as follows:

1 The director may:

2 (1) Enforce and administer this chapter by inspections, analyses,  
3 and other appropriate actions;

4 (2) Have access during normal business hours to all places where  
5 motor fuels are marketed for the purpose of examination, inspection,  
6 taking of samples, and investigation. If access is refused by the  
7 owner or agent or other persons leasing the same, the director or his  
8 or her agent may obtain an administrative search warrant from a court  
9 of competent jurisdiction;

10 (3) Collect or cause to be collected, samples of motor fuels  
11 marketed in this state, and cause such samples to be tested or  
12 analyzed for compliance with this chapter;

13 (4) Issue a stop-sale order for any motor fuel found not to be in  
14 compliance and rescind the stop-sale order if the motor fuel is  
15 brought into compliance with this chapter;

16 (5) (~~Refuse, revoke, or suspend the registration of a motor  
17 fuel;~~

18 ~~(6))~~) Delegate to authorized agents any of the responsibilities  
19 for the proper administration of this chapter(~~(+~~

20 ~~(7) Establish a motor fuel testing laboratory~~)).

21 **Sec. 4.** RCW 19.112.050 and 1990 c 102 s 6 are each amended to  
22 read as follows:

23 It is unlawful to:

24 (1) Market motor fuels in any manner that may deceive or tend to  
25 deceive the purchaser as to the nature, price, quantity, and quality  
26 of a motor fuel;

27 (2) (~~Fail to register a motor fuel;~~

28 ~~(3) Submit incorrect, misleading, or false information regarding  
29 the registration of a motor fuel;~~

30 ~~(4))~~) Hinder or obstruct the director, or his or her authorized  
31 agent, in the performance of his or her duties;

32 (~~(+5))~~) (3) Market a motor fuel that is contrary to this chapter.

33 **Sec. 5.** RCW 19.112.060 and 2011 c 96 s 20 are each amended to  
34 read as follows:

35 (1)(a) Any person who knowingly violates any provision of this  
36 chapter or rules adopted under it is guilty of a misdemeanor and,  
37 upon conviction, shall be punished by a fine of not more than one

1 thousand dollars or imprisonment for up to three hundred sixty-four  
2 days, or both.

3 (b) The director (~~shall~~) may assess a civil penalty ranging  
4 from one hundred dollars to ten thousand dollars per occurrence,  
5 giving due consideration to the appropriateness of the penalty with  
6 respect to the gravity of the violation, and the history of previous  
7 violations. Civil penalties collected under this chapter shall be  
8 deposited into the motor vehicle fund.

9 (2) The penalties in subsection (1)(a) of this section do not  
10 apply to violations of RCW 19.112.110 (~~and 19.112.120~~).

11 **Sec. 6.** RCW 19.112.110 and 2013 c 225 s 601 are each amended to  
12 read as follows:

13 ~~(1) (~~Special fuel licensees under chapter 82.38 RCW, as~~  
14 ~~determined by the department of licensing, must provide evidence to~~  
15 ~~the department of licensing that at least two percent of the total~~  
16 ~~annual diesel fuel sold in Washington is biodiesel or renewable~~  
17 ~~diesel fuel, following the earlier of: (a) November 30, 2008; or (b)~~  
18 ~~when a determination is made by the director, published in the~~  
19 ~~Washington State Register, that feedstock grown in Washington state~~  
20 ~~can satisfy a two percent requirement.~~~~

21 ~~(2) Special fuel licensees under chapter 82.38 RCW, as determined~~  
22 ~~by the department of licensing, must provide evidence to the~~  
23 ~~department of licensing that at least five percent of total annual~~  
24 ~~diesel fuel sold in Washington is biodiesel or renewable diesel fuel,~~  
25 ~~when the director determines, and publishes this determination in the~~  
26 ~~Washington State Register, that both in-state oil seed crushing~~  
27 ~~capacity and feedstock grown in Washington state can satisfy a three-~~  
28 ~~percent requirement.~~

29 ~~(3) The requirements of subsections (1) and (2) of this section~~  
30 ~~may take effect no sooner than one hundred eighty days after the~~  
31 ~~determination has been published in the Washington State Register.~~

32 ~~(4))~~ Beginning January 1, 2019, all diesel fuel sold or offered  
33 for sale in Washington for use in motor vehicles upon the highways of  
34 the state must contain at least five percent biodiesel by volume.

35 (2) The director (~~and the director of licensing must each~~) may  
36 adopt rules(~~, in coordination with each other,~~) for enforcing and  
37 carrying out the purposes of this section.

1       **Sec. 7.** RCW 19.112.130 and 2006 c 338 s 4 are each amended to  
2 read as follows:

3       The department of licensing shall not publicly release, unless  
4 pursuant to an order of a court of competent jurisdiction,  
5 information submitted as evidence as required by RCW 19.112.110 (~~or~~  
6 ~~19.112.120~~)), except information disclosed in aggregate form that  
7 does not permit the identification of information related to  
8 individual fuel licensees.

9       **Sec. 8.** RCW 19.112.900 and 1990 c 102 s 11 are each amended to  
10 read as follows:

11       (~~RCW 19.112.005 through 19.112.080 shall constitute a new~~  
12 ~~chapter in Title 19 RCW and~~) This chapter may be known and cited as  
13 the motor fuel quality act.

14       **Sec. 9.** RCW 42.56.270 and 2017 c 317 s 17 are each amended to  
15 read as follows:

16       The following financial, commercial, and proprietary information  
17 is exempt from disclosure under this chapter:

18       (1) Valuable formulae, designs, drawings, computer source code or  
19 object code, and research data obtained by any agency within five  
20 years of the request for disclosure when disclosure would produce  
21 private gain and public loss;

22       (2) Financial information supplied by or on behalf of a person,  
23 firm, or corporation for the purpose of qualifying to submit a bid or  
24 proposal for (a) a ferry system construction or repair contract as  
25 required by RCW 47.60.680 through 47.60.750 or (b) highway  
26 construction or improvement as required by RCW 47.28.070;

27       (3) Financial and commercial information and records supplied by  
28 private persons pertaining to export services provided under chapters  
29 43.163 and 53.31 RCW, and by persons pertaining to export projects  
30 under RCW 43.23.035;

31       (4) Financial and commercial information and records supplied by  
32 businesses or individuals during application for loans or program  
33 services provided by chapters 43.325, 43.163, 43.160, 43.330, and  
34 43.168 RCW, or during application for economic development loans or  
35 program services provided by any local agency;

36       (5) Financial information, business plans, examination reports,  
37 and any information produced or obtained in evaluating or examining a

1 business and industrial development corporation organized or seeking  
2 certification under chapter 31.24 RCW;

3 (6) Financial and commercial information supplied to the state  
4 investment board by any person when the information relates to the  
5 investment of public trust or retirement funds and when disclosure  
6 would result in loss to such funds or in private loss to the  
7 providers of this information;

8 (7) Financial and valuable trade information under RCW 51.36.120;

9 ~~(8) ((Financial, commercial, operations, and technical and  
10 research information and data submitted to or obtained by the clean  
11 Washington center in applications for, or delivery of, program  
12 services under chapter 70.95H RCW;~~

13 ~~(9))~~ Financial and commercial information requested by the  
14 public stadium authority from any person or organization that leases  
15 or uses the stadium and exhibition center as defined in RCW  
16 36.102.010;

17 ~~((10))~~ (9)(a) Financial information, including but not limited  
18 to account numbers and values, and other identification numbers  
19 supplied by or on behalf of a person, firm, corporation, limited  
20 liability company, partnership, or other entity related to an  
21 application for a horse racing license submitted pursuant to RCW  
22 67.16.260(1)(b), marijuana producer, processor, or retailer license,  
23 liquor license, gambling license, or lottery retail license;

24 (b) Internal control documents, independent auditors' reports and  
25 financial statements, and supporting documents: (i) Of house-banked  
26 social card game licensees required by the gambling commission  
27 pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted  
28 by tribes with an approved tribal/state compact for class III gaming;

29 ~~((11))~~ (10) Proprietary data, trade secrets, or other  
30 information that relates to: (a) A vendor's unique methods of  
31 conducting business; (b) data unique to the product or services of  
32 the vendor; or (c) determining prices or rates to be charged for  
33 services, submitted by any vendor to the department of social and  
34 health services for purposes of the development, acquisition, or  
35 implementation of state purchased health care as defined in RCW  
36 41.05.011;

37 ~~((12))~~ (11)(a) When supplied to and in the records of the  
38 department of commerce:

1 (i) Financial and proprietary information collected from any  
2 person and provided to the department of commerce pursuant to RCW  
3 43.330.050(8); and

4 (ii) Financial or proprietary information collected from any  
5 person and provided to the department of commerce or the office of  
6 the governor in connection with the siting, recruitment, expansion,  
7 retention, or relocation of that person's business and until a siting  
8 decision is made, identifying information of any person supplying  
9 information under this subsection and the locations being considered  
10 for siting, relocation, or expansion of a business;

11 (b) When developed by the department of commerce based on  
12 information as described in (a)(i) of this subsection, any work  
13 product is not exempt from disclosure;

14 (c) For the purposes of this subsection, "siting decision" means  
15 the decision to acquire or not to acquire a site;

16 (d) If there is no written contact for a period of sixty days to  
17 the department of commerce from a person connected with siting,  
18 recruitment, expansion, retention, or relocation of that person's  
19 business, information described in (a)(ii) of this subsection will be  
20 available to the public under this chapter;

21 ~~((13))~~ (12) Financial and proprietary information submitted to  
22 or obtained by the department of ecology or the authority created  
23 under chapter 70.95N RCW to implement chapter 70.95N RCW;

24 ~~((14))~~ (13) Financial, commercial, operations, and technical  
25 and research information and data submitted to or obtained by the  
26 life sciences discovery fund authority in applications for, or  
27 delivery of, grants under chapter 43.350 RCW, to the extent that such  
28 information, if revealed, would reasonably be expected to result in  
29 private loss to the providers of this information;

30 ~~((15) Financial and commercial information provided as evidence  
31 to the department of licensing as required by RCW 19.112.110 or  
32 19.112.120, except information disclosed in aggregate form that does  
33 not permit the identification of information related to individual  
34 fuel licensees;~~

35 ~~(16))~~ (14) Any production records, mineral assessments, and  
36 trade secrets submitted by a permit holder, mine operator, or  
37 landowner to the department of natural resources under RCW 78.44.085;

38 ~~((17))~~ (15)(a) Farm plans developed by conservation districts,  
39 unless permission to release the farm plan is granted by the

1 landowner or operator who requested the plan, or the farm plan is  
2 used for the application or issuance of a permit;

3 (b) Farm plans developed under chapter 90.48 RCW and not under  
4 the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject  
5 to RCW 42.56.610 and 90.64.190;

6 ~~((18))~~ (16) Financial, commercial, operations, and technical  
7 and research information and data submitted to or obtained by a  
8 health sciences and services authority in applications for, or  
9 delivery of, grants under RCW 35.104.010 through 35.104.060, to the  
10 extent that such information, if revealed, would reasonably be  
11 expected to result in private loss to providers of this information;

12 ~~((19))~~ (17) Information gathered under chapter 19.85 RCW or RCW  
13 34.05.328 that can be identified to a particular business;

14 ~~((20))~~ (18) Financial and commercial information submitted to  
15 or obtained by the University of Washington, other than information  
16 the university is required to disclose under RCW 28B.20.150, when the  
17 information relates to investments in private funds, to the extent  
18 that such information, if revealed, would reasonably be expected to  
19 result in loss to the University of Washington consolidated endowment  
20 fund or to result in private loss to the providers of this  
21 information;

22 ~~((21))~~ (19) Market share data submitted by a manufacturer under  
23 RCW 70.95N.190(4);

24 ~~((22))~~ (20) Financial information supplied to the department of  
25 financial institutions ~~((or to a portal under RCW 21.20.883,))~~ when  
26 filed by or on behalf of an issuer of securities for the purpose of  
27 obtaining the exemption from state securities registration for small  
28 securities offerings provided under RCW 21.20.880 or when filed by or  
29 on behalf of an investor for the purpose of purchasing such  
30 securities;

31 ~~((23))~~ (21) Unaggregated or individual notices of a transfer of  
32 crude oil that is financial, proprietary, or commercial information,  
33 submitted to the department of ecology pursuant to RCW  
34 90.56.565(1)(a), and that is in the possession of the department of  
35 ecology or any entity with which the department of ecology has shared  
36 the notice pursuant to RCW 90.56.565;

37 ~~((24))~~ (22) Financial institution and retirement account  
38 information, and building security plan information, supplied to the  
39 liquor and cannabis board pursuant to RCW 69.50.325, 69.50.331,  
40 69.50.342, and 69.50.345, when filed by or on behalf of a licensee or

1 prospective licensee for the purpose of obtaining, maintaining, or  
2 renewing a license to produce, process, transport, or sell marijuana  
3 as allowed under chapter 69.50 RCW;

4 ~~((+25))~~ (23) Marijuana transport information, vehicle and driver  
5 identification data, and account numbers or unique access identifiers  
6 issued to private entities for traceability system access, submitted  
7 by an individual or business to the liquor and cannabis board under  
8 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and  
9 69.50.345 for the purpose of marijuana product traceability.  
10 Disclosure to local, state, and federal officials is not considered  
11 public disclosure for purposes of this section;

12 ~~((+26))~~ (24) Financial and commercial information submitted to  
13 or obtained by the retirement board of any city that is responsible  
14 for the management of an employees' retirement system pursuant to the  
15 authority of chapter 35.39 RCW, when the information relates to  
16 investments in private funds, to the extent that such information, if  
17 revealed, would reasonably be expected to result in loss to the  
18 retirement fund or to result in private loss to the providers of this  
19 information except that (a) the names and commitment amounts of the  
20 private funds in which retirement funds are invested and (b) the  
21 aggregate quarterly performance results for a retirement fund's  
22 portfolio of investments in such funds are subject to disclosure;

23 ~~((+27))~~ (25) Proprietary financial, commercial, operations, and  
24 technical and research information and data submitted to or obtained  
25 by the liquor and cannabis board in applications for marijuana  
26 research licenses under RCW 69.50.372, or in reports submitted by  
27 marijuana research licensees in accordance with rules adopted by the  
28 liquor and cannabis board under RCW 69.50.372; and

29 ~~((+28))~~ (26) Trade secrets, technology, proprietary information,  
30 and financial considerations contained in any agreements or  
31 contracts, entered into by a licensed marijuana business under RCW  
32 69.50.395, which may be submitted to or obtained by the state liquor  
33 and cannabis board.

34 **Sec. 10.** RCW 43.19.642 and 2017 c 313 s 703 are each amended to  
35 read as follows:

36 (1) ~~((Effective June 1, 2006, for agencies complying with the  
37 ultra-low sulfur diesel mandate of the United States environmental  
38 protection agency for on-highway diesel fuel, agencies shall use  
39 biodiesel as an additive to ultra-low sulfur diesel for lubricity,~~

1 ~~provided that the use of a lubricity additive is warranted and that~~  
2 ~~the use of biodiesel is comparable in performance and cost with other~~  
3 ~~available lubricity additives. The amount of biodiesel added to the~~  
4 ~~ultra-low sulfur diesel fuel shall be not less than two percent.~~

5 ~~(2))~~ Except as provided in subsection ~~((5))~~ (2) of this  
6 section, effective June 1, 2009, state agencies are required to use a  
7 minimum of twenty percent biodiesel as compared to total volume of  
8 all diesel purchases made by the agencies for the operation of the  
9 agencies' diesel-powered vessels, vehicles, and construction  
10 equipment.

11 ~~((3) All state agencies using biodiesel fuel shall, beginning on~~  
12 ~~July 1, 2016, file annual reports with the department of enterprise~~  
13 ~~services documenting the use of the fuel and a description of how any~~  
14 ~~problems encountered were resolved.~~

15 ~~(4) By December 1, 2009, the department of enterprise services~~  
16 ~~shall:~~

17 ~~(a) Report to the legislature on the average true price~~  
18 ~~differential for biodiesel by blend and location; and~~

19 ~~(b) Examine alternative fuel procurement methods that work to~~  
20 ~~address potential market barriers for in-state biodiesel producers~~  
21 ~~and report these findings to the legislature.~~

22 ~~(5))~~ (2) During the 2015-2017 and 2017-2019 fiscal biennia, the  
23 Washington state ferries is required to use a minimum of five percent  
24 biodiesel as compared to total volume of all diesel purchases made by  
25 the Washington state ferries for the operation of the Washington  
26 state ferries diesel-powered vessels, as long as the price of a B5  
27 biodiesel blend does not exceed the price of conventional diesel fuel  
28 by five percent or more.

29 **Sec. 11.** RCW 43.19.646 and 2011 1st sp.s. c 43 s 237 are each  
30 amended to read as follows:

31 ~~((1))~~ The department must assist state agencies seeking to meet  
32 the biodiesel fuel requirements in RCW 43.19.642 by coordinating the  
33 purchase and delivery of biodiesel if requested by any state agency.  
34 The department may use long-term contracts of up to ten years, when  
35 purchasing from in-state suppliers who use predominantly in-state  
36 feedstock, to secure a sufficient and stable supply of biodiesel for  
37 use by state agencies.

38 ~~((2) The department shall compile and analyze the reports~~  
39 ~~submitted under RCW 43.19.642(3) and report in an electronic format~~

1 ~~its findings and recommendations to the governor and committees of~~  
2 ~~the legislature with responsibility for energy issues, within sixty~~  
3 ~~days from the end of each reporting period. The governor shall~~  
4 ~~consider these reports in determining whether to temporarily suspend~~  
5 ~~minimum renewable fuel content requirements as authorized under RCW~~  
6 ~~19.112.160.)~~)

7 **Sec. 12.** RCW 43.19.647 and 2015 c 225 s 65 are each amended to  
8 read as follows:

9 (1) In order to allow the motor vehicle fuel needs of state and  
10 local government to be satisfied by Washington-produced biofuels as  
11 provided in this chapter, the department of enterprise services as  
12 well as local governments may contract in advance and execute  
13 contracts with public or private producers, suppliers, or other  
14 parties, for the purchase of appropriate biofuels, as ((that)) the  
15 term "biofuel" is defined in ((RCW 43.325.010)) section 13 of this  
16 act, and biofuel blends. Contract provisions may address items  
17 including, but not limited to, fuel standards, price, and delivery  
18 date.

19 (2) The department of enterprise services may combine the needs  
20 of local government agencies, including ports, special districts,  
21 school districts, and municipal corporations, for the purposes of  
22 executing contracts for biofuels and to secure a sufficient and  
23 stable supply of alternative fuels.

24 NEW SECTION. **Sec. 13.** A new section is added to chapter 43.325  
25 RCW to read as follows:

26 The definitions in this section apply throughout this chapter  
27 unless the context clearly requires otherwise.

28 (1) "Biofuel" means a liquid or gaseous fuel produced from  
29 biogenic, nonpetroleum feedstocks, including but not limited to  
30 biodiesel, renewable diesel, ethanol, and renewable natural gas.

31 (2) "Department" means the department of commerce.

32 (3) "Director" means the director of the department of commerce.

33 **Sec. 14.** RCW 80.50.020 and 2010 c 152 s 1 are each reenacted and  
34 amended to read as follows:

35 The definitions in this section apply throughout this chapter  
36 unless the context clearly requires otherwise.

1 (1) "Alternative energy resource" includes energy facilities of  
2 the following types: (a) Wind; (b) solar energy; (c) geothermal  
3 energy; (d) landfill gas; (e) wave or tidal action; or (f) biomass  
4 energy based on solid organic fuels from wood, forest, or field  
5 residues, or dedicated energy crops that do not include wood pieces  
6 that have been treated with chemical preservatives such as creosote,  
7 pentachlorophenol, or copper-chrome-arsenic.

8 (2) "Applicant" means any person who makes application for a site  
9 certification pursuant to the provisions of this chapter.

10 (3) "Application" means any request for approval of a particular  
11 site or sites filed in accordance with the procedures established  
12 pursuant to this chapter, unless the context otherwise requires.

13 (4) "Associated facilities" means storage, transmission,  
14 handling, or other related and supporting facilities connecting an  
15 energy plant with the existing energy supply, processing, or  
16 distribution system, including, but not limited to, communications,  
17 controls, mobilizing or maintenance equipment, instrumentation, and  
18 other types of ancillary transmission equipment, off-line storage or  
19 venting required for efficient operation or safety of the  
20 transmission system and overhead, and surface or subsurface lines of  
21 physical access for the inspection, maintenance, and safe operations  
22 of the transmission facility and new transmission lines constructed  
23 to operate at nominal voltages of at least 115,000 volts to connect a  
24 thermal power plant or alternative energy facilities to the northwest  
25 power grid. However, common carrier railroads or motor vehicles shall  
26 not be included.

27 (5) "Biofuel" has the same meaning as defined in ((RCW  
28 ~~43.325.010~~)) section 13 of this act.

29 (6) "Certification" means a binding agreement between an  
30 applicant and the state which shall embody compliance to the siting  
31 guidelines, in effect as of the date of certification, which have  
32 been adopted pursuant to RCW 80.50.040 as now or hereafter amended as  
33 conditions to be met prior to or concurrent with the construction or  
34 operation of any energy facility.

35 (7) "Construction" means on-site improvements, excluding  
36 exploratory work, which cost in excess of two hundred fifty thousand  
37 dollars.

38 (8) "Council" means the energy facility site evaluation council  
39 created by RCW 80.50.030.

1 (9) "Counsel for the environment" means an assistant attorney  
2 general or a special assistant attorney general who shall represent  
3 the public in accordance with RCW 80.50.080.

4 (10) "Electrical transmission facilities" means electrical power  
5 lines and related equipment.

6 (11) "Energy facility" means an energy plant or transmission  
7 facilities: PROVIDED, That the following are excluded from the  
8 provisions of this chapter:

9 (a) Facilities for the extraction, conversion, transmission or  
10 storage of water, other than water specifically consumed or  
11 discharged by energy production or conversion for energy purposes;  
12 and

13 (b) Facilities operated by and for the armed services for  
14 military purposes or by other federal authority for the national  
15 defense.

16 (12) "Energy plant" means the following facilities together with  
17 their associated facilities:

18 (a) Any nuclear power facility where the primary purpose is to  
19 produce and sell electricity;

20 (b) Any nonnuclear stationary thermal power plant with generating  
21 capacity of three hundred fifty thousand kilowatts or more, measured  
22 using maximum continuous electric generating capacity, less minimum  
23 auxiliary load, at average ambient temperature and pressure, and  
24 floating thermal power plants of one hundred thousand kilowatts or  
25 more suspended on the surface of water by means of a barge, vessel,  
26 or other floating platform;

27 (c) Facilities which will have the capacity to receive liquefied  
28 natural gas in the equivalent of more than one hundred million  
29 standard cubic feet of natural gas per day, which has been  
30 transported over marine waters;

31 (d) Facilities which will have the capacity to receive more than  
32 an average of fifty thousand barrels per day of crude or refined  
33 petroleum or liquefied petroleum gas which has been or will be  
34 transported over marine waters, except that the provisions of this  
35 chapter shall not apply to storage facilities unless occasioned by  
36 such new facility construction;

37 (e) Any underground reservoir for receipt and storage of natural  
38 gas as defined in RCW 80.40.010 capable of delivering an average of  
39 more than one hundred million standard cubic feet of natural gas per  
40 day; and

1 (f) Facilities capable of processing more than twenty-five  
2 thousand barrels per day of petroleum or biofuel into refined  
3 products except where such biofuel production is undertaken at  
4 existing industrial facilities.

5 (13) "Independent consultants" means those persons who have no  
6 financial interest in the applicant's proposals and who are retained  
7 by the council to evaluate the applicant's proposals, supporting  
8 studies, or to conduct additional studies.

9 (14) "Land use plan" means a comprehensive plan or land use  
10 element thereof adopted by a unit of local government pursuant to  
11 chapter 35.63, 35A.63, 36.70, or 36.70A RCW, or as otherwise  
12 designated by chapter 325, Laws of 2007.

13 (15) "Person" means an individual, partnership, joint venture,  
14 private or public corporation, association, firm, public service  
15 company, political subdivision, municipal corporation, government  
16 agency, public utility district, or any other entity, public or  
17 private, however organized.

18 (16) "Preapplicant" means a person considering applying for a  
19 site certificate agreement for any transmission facility.

20 (17) "Preapplication process" means the process which is  
21 initiated by written correspondence from the preapplicant to the  
22 council, and includes the process adopted by the council for  
23 consulting with the preapplicant and with cities, towns, and counties  
24 prior to accepting applications for all transmission facilities.

25 (18) "Secretary" means the secretary of the United States  
26 department of energy.

27 (19) "Site" means any proposed or approved location of an energy  
28 facility, alternative energy resource, or electrical transmission  
29 facility.

30 (20) "Thermal power plant" means, for the purpose of  
31 certification, any electrical generating facility using any fuel for  
32 distribution of electricity by electric utilities.

33 (21) "Transmission facility" means any of the following together  
34 with their associated facilities:

35 (a) Crude or refined petroleum or liquid petroleum product  
36 transmission pipeline of the following dimensions: A pipeline larger  
37 than six inches minimum inside diameter between valves for the  
38 transmission of these products with a total length of at least  
39 fifteen miles;

1 (b) Natural gas, synthetic fuel gas, or liquefied petroleum gas  
2 transmission pipeline of the following dimensions: A pipeline larger  
3 than fourteen inches minimum inside diameter between valves, for the  
4 transmission of these products, with a total length of at least  
5 fifteen miles for the purpose of delivering gas to a distribution  
6 facility, except an interstate natural gas pipeline regulated by the  
7 United States federal power commission.

8 (22) "Zoning ordinance" means an ordinance of a unit of local  
9 government regulating the use of land and adopted pursuant to chapter  
10 35.63, 35A.63, 36.70, or 36.70A RCW or Article XI of the state  
11 Constitution, or as otherwise designated by chapter 325, Laws of  
12 2007.

13 **Sec. 15.** RCW 82.08.865 and 2010 c 106 s 218 are each amended to  
14 read as follows:

15 (1) The tax levied by RCW 82.08.020 does not apply to sales of  
16 diesel fuel, biodiesel fuel, or aircraft fuel, to a farm fuel user  
17 for agricultural purposes. This exemption applies to a fuel blend if  
18 all of the component fuels of the blend would otherwise be exempt  
19 under this subsection if the component fuels were sold as separate  
20 products. This exemption is available only if the buyer provides the  
21 seller with an exemption certificate in a form and manner prescribed  
22 by the department.

23 (2) The definitions in RCW 82.04.213 and this subsection apply to  
24 this section.

25 (a)(i) "Agricultural purposes" means the performance of  
26 activities directly related to the growing, raising, or producing of  
27 agricultural products.

28 (ii) "Agricultural purposes" does not include: (A) Heating space  
29 for human habitation or water for human consumption; or (B)  
30 transporting on public roads individuals, agricultural products, farm  
31 machinery or equipment, or other tangible personal property, except  
32 when the transportation is incidental to transportation on private  
33 property and the fuel used for such transportation is not subject to  
34 tax under chapter 82.38 RCW.

35 (b) "Aircraft fuel" is defined as provided in RCW 82.42.010.

36 (c) "~~Biodiesel fuel" ((is defined as provided in RCW 19.112.010))~~  
37 means biodiesel fuel as defined by the Washington state department of  
38 agriculture as of January 1, 2018.

1 (d) "Diesel fuel" is defined as provided in 26 U.S.C. 4083, as  
2 amended or renumbered as of January 1, 2006.

3 (e) "Farm fuel user" means: (i) A farmer; or (ii) a person who  
4 provides horticultural services for farmers, such as soil preparation  
5 services, crop cultivation services, and crop harvesting services.

6 **Sec. 16.** RCW 82.08.956 and 2013 2nd sp.s. c 13 s 1002 are each  
7 amended to read as follows:

8 (1) The tax levied by RCW 82.08.020 does not apply to sales of  
9 hog fuel used to produce electricity, steam, heat, or biofuel in  
10 Washington state. This exemption is available only if the buyer  
11 provides the seller with an exemption certificate in a form and  
12 manner prescribed by the department. The seller must retain a copy of  
13 the certificate for the seller's files.

14 (2) For the purposes of this section the following definitions  
15 apply:

16 (a) "Hog fuel" means wood waste and other wood residuals  
17 including forest derived biomass. "Hog fuel" does not include  
18 firewood or wood pellets; and

19 (b) "Biofuel" has the same meaning as provided in ((RCW  
20 ~~43.325.010~~)) section 13 of this act.

21 (3) If a taxpayer who claimed an exemption under this section  
22 closes a facility in Washington for which employment positions were  
23 reported under RCW 82.32.605, resulting in a loss of jobs located  
24 within the state, the department must declare the amount of the tax  
25 exemption claimed under this section for the previous two calendar  
26 years to be immediately due.

27 (4) This section expires June 30, 2024.

28 **Sec. 17.** RCW 82.12.956 and 2013 2nd sp.s. c 13 s 1003 are each  
29 amended to read as follows:

30 (1) The provisions of this chapter do not apply with respect to  
31 the use of hog fuel for production of electricity, steam, heat, or  
32 biofuel in Washington state.

33 (2) For the purposes of this section:

34 (a) "Hog fuel" has the same meaning as provided in RCW 82.08.956;  
35 and

36 (b) "Biofuel" has the same meaning as provided in RCW  
37 ((~~43.325.010~~)) 82.08.956.

38 (3) This section expires June 30, 2024.

1        NEW SECTION.    **Sec. 18.**    The following acts or parts of acts are  
2 each repealed:

3        (1) RCW 19.112.040 (Motor fuel registration) and 1990 c 102 s 5;  
4        (2) RCW 19.112.090 (Air pollution reduction—Variances from ASTM)  
5 and 1991 c 199 s 231;  
6        (3) RCW 19.112.120 (Motor vehicle fuel licensees—Required sales  
7 of denatured ethanol—Rules—Limitation of section) and 2013 c 225 s  
8 602, 2007 c 309 s 2, & 2006 c 338 s 3;  
9        (4) RCW 19.112.140 (Standards for biodiesel fuel/fuel blended  
10 with biodiesel fuel—Rules) and 2006 c 338 s 7;  
11        (5) RCW 19.112.150 (Biofuels advisory committee) and 2006 c 338 s  
12 9;  
13        (6) RCW 19.112.160 (Governor's authority to suspend certain  
14 minimum renewable fuel content requirements) and 2006 c 338 s 11;  
15        (7) RCW 19.112.170 (Determination of the supply of certain fuels—  
16 Notification—Declaration concerning the applicability of RCW  
17 19.112.110 or 19.112.120) and 2006 c 338 s 13;  
18        (8) RCW 19.112.180 (Goals under RCW 19.112.170—Report—Executive  
19 request legislation) and 2006 c 338 s 14; and  
20        (9) RCW 43.19.643 (Biodiesel fuel blends—Definitions) and 2003 c  
21 17 s 3.

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