**1110-S2 AMH CHAP H2328.2 - NOT FOR FLOOR USE**

**2SHB 1110** - H AMD **298**

By Representative Chapman

**ADOPTED AS AMENDED 03/12/2019**

On page 6, beginning on line 10, after "obligations" strike "under section 5 of this act"

On page 6, line 12, after "vessels," strike "and railroad locomotives" and insert "railroad locomotives, and other exempt fuels specified in section 5 of this act"

On page 6, at the beginning of line 34, strike "4" and insert "(4)"

On page 7, line 5, after "(2)" insert "(a) The rules adopted under sections 3 and 4 of this act must exempt the following transportation fuels from greenhouse gas emission intensity reduction requirements until January 1, 2028:

(i) Special fuel used off-road in vehicles used primarily to transport logs; and

(ii) Dyed special fuel used in vehicles that are not designed primarily to transport persons or property, that are not designed to be primarily operated on highways, and that are used primarily for construction work including, but not limited to, mining and timber harvest operations.

(b) Prior to January 1, 2028, fuels identified in this subsection (2) are eligible to generate credits, consistent with section 4(5) of this act. Beginning January 1, 2028, the fuels identified in this subsection (2) are subject to the greenhouse gas emission intensity reduction requirements applicable to transportation fuels specified in section 3 of this act.

(3) The department may adopt rules to specify the standards for persons to qualify for the exemptions provided in this section. The department may implement the exemptions under subsection (2) of this section to align with the implementation of exemptions for similar fuels exempt from chapter 82.38 RCW.

(4)"

Renumber the remaining subsection consecutively and correct any internal references accordingly.

On page 7, line 6, after "described in" strike "subsection (1)" and insert "subsections (1) and (2)"

EFFECT: (1) Exempts fuel used off-road in vehicles used primarily to transport logs and dyed special fuel used by certain construction, mining, and timber harvest vehicles ("Exempt Fuels") from greenhouse gas (GHG) emission intensity reductions until January 1, 2028, after which the Clean Fuels Program's GHG emission reduction intensity requirements apply to those fuels.

(2) Makes the Exempt Fuels eligible to generate credits until 2028.

(3) Authorizes the Department of Ecology to adopt rules to specify standards allowing persons to qualify for the exemptions for Exempt Fuels.