CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2311

Chapter 79, Laws of 2020

66th Legislature 2020 Regular Session

GREENHOUSE GAS EMISSION LIMITS--AMENDMENT

EFFECTIVE DATE: June 11, 2020

Passed by the House February 16, 2020 Yeas 55 Nays 41

LAURIE JINKINS

Speaker of the House of Representatives

Passed by the Senate March 5, 2020 Yeas 28 Nays 21

CYRUS HABIB

President of the Senate

Approved March 19, 2020 2:33 PM

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2311 as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

March 19, 2020

JAY INSLEE

Governor of the State of Washington

Secretary of State State of Washington

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2311

Passed Legislature - 2020 Regular Session

State of Washington 66th Legislature 2020 Regular Session

By House Appropriations (originally sponsored by Representatives Slatter, Fitzgibbon, Callan, Chapman, Orwall, Ramel, Tarleton, Valdez, Duerr, Frame, Bergquist, Davis, Tharinger, Fey, Ormsby, Macri, Wylie, Doglio, Cody, Kloba, Goodman, Hudgins, and Pollet; by request of Governor Inslee)

READ FIRST TIME 02/11/20.

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- AN ACT Relating to amending state greenhouse gas emission limits for consistency with the most recent assessment of climate change science; amending RCW 70.235.020 and 70.235.050; reenacting and amending RCW 70.235.010; adding a new section to chapter 70.235 RCW; and creating a new section.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. (1) Global climate change represents an existential threat to the livelihoods, health, and well-being of all Washingtonians. Our state is experiencing a climate emergency in the form of devastating wildfires, drought, lack of snowpack, and increases in ocean acidification caused in part by climate change.
 - (2) These threats are not distributed evenly across the state. In particular, rural communities with natural resource-based economies, tribes, and communities of lower and moderate incomes will be disproportionately exposed to health and economic impacts driven by climate change.
 - (3) The longer we delay in taking definitive action to reduce greenhouse gas emissions, the greater the threat posed by climate change to current and future generations, and the more costly it will be to protect and maintain our communities against the impacts of climate change. Unchecked, climate change will bring ever more

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drastic decline to the health and prosperity of future generations, particularly for the most vulnerable communities.

- (4) According to the climate impacts group at the University of Washington, with global warming of at least one and one-half degrees Celsius, by 2050 Washington is projected to experience:
- (a) An increase of sixty-seven percent in the number of days per year above ninety degrees Fahrenheit, relative to 1976-2005, leading to an increased risk of heat-related illness and death, warmer streams, and more frequent algal blooms;
- (b) A decrease of thirty-eight percent in the state's snowpack, relative to 1970-1999, leading to reduced water storage, irrigation shortages, and winter and summer recreation losses;
- (c) An increase of sixteen percent in winter streamflow, relative to 1970-1999, leading to an increased risk of river flooding;
- (d) A decrease of twenty-three percent in summer streamflow, relative to 1970-1999, leading to reduced summer hydropower, conflicts over water resources, and negative effects on salmon populations; and
- (e) An increase of one and four-tenths feet in sea level, relative to 1991-2010, leading to coastal flooding and inundation, damage to coastal infrastructure, and bluff erosion.
- (5) The legislature has taken steps to understand and address the threats posed by climate change as climate change science has continued to evolve. In 2008 with the passage of Engrossed Second Substitute House Bill No. 2815, chapter 70.235 RCW, the legislature acknowledged Washington's history of national and international leadership in clean energy, and set limits on the greenhouse gas emissions that drive climate change.
- (6) Chapter 70.235 RCW recognizes that the state of climate change science will continue to evolve, and so it directs the department of ecology to consult with the climate impacts group at the University of Washington for the purpose of issuing periodic reports that summarize the current climate change science and that make recommendations regarding whether the state's greenhouse gas emissions reductions need to be updated. As required by chapter 70.235 RCW, the department of ecology prepared and submitted reviews of current climate change science and the state of global warming trends in both December 2016, Ecology Publication No. 16-01-010, and again in December 2019, Ecology Publication No. 19-02-031. The most recent report underscores the need for Washington to take immediate

and aggressive action to reduce greenhouse gas emissions, the primary cause of global climate change.

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- 3 (7) Based on the current science and emissions trends, reported by the department of ecology and the climate impacts group 4 at the University of Washington, the legislature finds that avoiding 5 6 global warming of at least one and one-half degrees Celsius is 7 possible only if global greenhouse gas emissions start to decline precipitously, and as soon as possible. Restoring a safe and stable 8 climate will require mobilization across all levels of government and 9 sectors, including agriculture, 10 transportation, and energy production, to reach net zero greenhouse 11 12 gas emissions by 2050. Washington must therefore further strengthen its emissions reduction targets for 2030 and beyond. In addition, all 13 14 pathways to one and one-half degrees Celsius rely on some amount of negative emissions through carbon sequestration. It is therefore the 15 16 intent of the legislature to strengthen Washington's statutory 17 greenhouse gas emission limits to reflect current science and to align with the limits that other jurisdictions are setting to combat 18 19 climate change and to encourage voluntary actions that increase carbon sequestration on natural and working lands and storage in the 20 21 related products from those lands.
- 22 (8) In strengthening Washington's statutory greenhouse gas 23 emission limits, it is the intent of the legislature to pursue these 24 limits in a way that:
 - (a) Reduces the burdens and creates benefits for vulnerable populations and highly impacted communities with long-term and short-term outcomes for public health, economic well-being, local environments, and community resiliency that benefits all Washington residents;
 - (b) Supports the current skilled and trained construction workforce, retains and creates other high quality employment opportunities, and generates broad, widely shared economic benefits for the state and Washington residents; and
- 34 (c) Maintains Washington's manufacturing economy and avoids 35 leakage of emissions to other jurisdictions.
- 36 **Sec. 2.** RCW 70.235.020 and 2008 c 14 s 3 are each amended to read as follows:

1 (1)(a) The state shall limit <u>anthropogenic</u> emissions of 2 greenhouse gases to achieve the following emission reductions for 3 Washington state:

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- (i) By 2020, reduce overall emissions of greenhouse gases in the state to 1990 levels, or ninety million five hundred thousand metric tons;
- (ii) By ((2035)) 2030, reduce overall emissions of greenhouse gases in the state to ((twenty-five)) fifty million metric tons, or forty-five percent below 1990 levels;
- (iii) By ((2050, the state will do its part to reach global climate stabilization levels by reducing overall emissions to fifty percent below 1990 levels, or seventy percent below the state's expected emissions that year)) 2040, reduce overall emissions of greenhouse gases in the state to twenty-seven million metric tons, or seventy percent below 1990 levels;
- (iv) By 2050, reduce overall emissions of greenhouse gases in the state to five million metric tons, or ninety-five percent below 1990 levels.
 - (b) By December 1, 2008, the department shall submit a greenhouse gas reduction plan for review and approval to the legislature, describing those actions necessary to achieve the emission reductions in (a) of this subsection by using existing statutory authority and any additional authority granted by the legislature. Actions taken using existing statutory authority may proceed prior to approval of the greenhouse gas reduction plan.
 - (c) <u>In addition to the emissions limits specified in (a) of this subsection</u>, the state shall also achieve net zero greenhouse gas <u>emissions by 2050</u>. Except where explicitly stated otherwise, nothing in chapter 14, Laws of 2008 limits any state agency authorities as they existed prior to June 12, 2008.
- 31 (d) Consistent with this directive, the department shall take the 32 following actions:
 - (i) Develop and implement a system for monitoring and reporting emissions of greenhouse gases as required under RCW 70.94.151; and
 - (ii) Track progress toward meeting the emission reductions established in this subsection, including the results from policies currently in effect that have been previously adopted by the state and policies adopted in the future, and report on that progress.

 Progress reporting should include statewide emissions as well as emissions from key sectors of the economy including, but not limited

1 to, electricity, transportation, buildings, manufacturing, and 2 agriculture.

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- (e) Nothing in this section creates any new or additional regulatory authority for any state agency as they existed prior to January 1, 2019.
- (2) By December 31st of each even-numbered year beginning in 2010, the department and the department of ((community, trade, and economic development)) commerce shall report to the governor and the appropriate committees of the senate and house of representatives the total emissions of greenhouse gases for the preceding two years, and totals in each major source sector. The report must include greenhouse gas emissions from wildfires, developed in consultation with the department of natural resources. The department shall ensure the reporting rules adopted under RCW 70.94.151 allow it to develop a comprehensive inventory of emissions of greenhouse gases from all significant sectors of the Washington economy.
- (3) Except for purposes of reporting, emissions of carbon dioxide from industrial combustion of biomass in the form of fuel wood, wood waste, wood by-products, and wood residuals shall not be considered a greenhouse gas as long as the region's silvicultural sequestration capacity is maintained or increased.
- 22 Sec. 3. RCW 70.235.050 and 2015 c 225 s 110 are each amended to read as follows: 23
 - (1) ((All state)) State agencies shall meet the statewide greenhouse gas emission limits established in RCW 70.235.020 to achieve the following, using the estimates and strategy established in subsections (2) and (3) of this section:
 - (a) By July 1, 2020, reduce emissions ((by)) of greenhouse gases to eight hundred five thousand metric tons, or fifteen percent ((from)) below 2005 emission levels;
- (b) By ((2035)) 2030, reduce emissions of greenhouse gases to ((thirty-six)) five hundred twenty-one thousand metric tons, or 32 forty-five percent below 2005 levels; ((and)) 33
- (c) ((By 2050, reduce emissions to the greater reduction of 34 fifty-seven and one-half percent below 2005 levels, or seventy 35 percent below the expected state government emissions that year)) By 36 37 2040, reduce emissions of greenhouse gases to two hundred eighty-four 38 thousand metric tons, or seventy percent below 2005 levels; and

1 (d) By 2050, reduce overall emissions of greenhouse gases to forty-seven thousand metric tons, or ninety-five percent below 2005 levels and achieve net zero greenhouse gas emissions by state 3 government as a whole. 4

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- (2)(a) By June 30, 2010, ((all)) state agencies shall report estimates of emissions for 2005 to the department, including 2009 levels of emissions, and projected emissions through 2035.
- (b) State agencies required to report under RCW 70.94.151 must estimate emissions from methodologies recommended by the department and must be based on actual operation of those agencies. Agencies not required to report under RCW 70.94.151 shall derive emissions estimates using an emissions calculator provided by the department.
- (3) ((By June 30, 2011, each state agency shall submit to the department a strategy to meet the requirements in subsection (1) of this section. The strategy must address employee travel activities, teleconferencing alternatives, and include existing and proposed actions, a timeline for reductions, and recommendations for budgetary and other incentives to reduce emissions, especially from employee business travel.
- (4))) By ((October)) June 1st of each even-numbered year beginning in ((2012)) $\underline{2022}$, ((each)) state ((agency)) $\underline{agencies}$ shall report to the department ((the actions taken to meet the emission reduction targets under the strategy for the preceding fiscal biennium)), and to the state efficiency and environmental performance office at the department of commerce, the actions planned for the next two biennia to meet emission reduction targets and the actions taken to meet the emission reduction targets established in this section. The report must also include the agency's long-term strategy for meeting the emission reduction targets established in this section, which the agency shall update as appropriate. The department and the state efficiency and environmental performance office at the department of commerce shall review and compile the agency reports and, by December 1st of each even-numbered year beginning in 2022, provide a consolidated report to the appropriate committees of the legislature. This report must include recommendations for budgetary and other actions that will assist state agencies in achieving the greenhouse gas emissions reductions specified in this section. The department may authorize the department of enterprise services to report on behalf of any state agency having fewer than five hundred full-time equivalent employees at any time during the reporting

- period. The department shall cooperate with the department of enterprise services and the state efficiency and environmental performance office at the department of commerce to develop consolidated reporting methodologies that incorporate emission reduction actions taken across all or substantially all state agencies.
 - $((\frac{5)}{1})$ All state)) $\underline{(4)}$ State agencies shall cooperate in providing information to the department, the department of enterprise services, and the department of commerce for the purposes of this section.

- (((6) The governor shall designate a person as the single point of accountability for all energy and climate change initiatives within state agencies. This position must be funded from current full-time equivalent allocations without increasing budgets or staffing levels. If duties must be shifted within an agency, they must be shifted among current full-time equivalent allocations. All agencies, councils, or work groups with energy or climate change initiatives shall coordinate with this designee.))
- NEW SECTION. Sec. 4. A new section is added to chapter 70.235 19 RCW to read as follows:
 - (1) Separate and apart from the emissions limits established in RCW 70.235.020, it is the policy of the state to promote the removal of excess carbon from the atmosphere through voluntary and incentive-based sequestration activities in Washington including, but not limited to, on natural and working lands and by recognizing the potential for sequestration in products and product supply chains. It is the policy of the state to prioritize carbon sequestration in amounts necessary to achieve the carbon neutrality goal established in RCW 70.235.020, and at a level consistent with pathways to limit global warming to one and one-half degrees.
 - (2) (a) All agencies of state government including, but not limited to, the department, the department of natural resources, the department of transportation, the department of fish and wildlife, the department of agriculture, the department of commerce, the recreation and conservation office, and the conservation commission, shall seek all practicable opportunities, consistent with existing legal mandates and requirements and statutory objectives, to costeffectively maximize carbon sequestration and carbon storage in their nonland management agency operations, contracting, and grant-making activities.

- 1 (b) Any such effort to promote carbon sequestration activities 2 that affects support for, or management of private lands or trust 3 lands managed by the department of natural resources must be done in 4 cooperation with the owners and managers of those natural and working 5 lands.
- 6 **Sec. 5.** RCW 70.235.010 and 2019 c 284 s 2 are each reenacted and amended to read as follows:

8 The definitions in this section apply throughout this chapter 9 unless the context clearly requires otherwise.

- (1) "Carbon dioxide equivalents" means a metric measure used to compare the emissions from various greenhouse gases based upon their global warming potential.
- (2) "Class I substance" and "class II substance" means those substances listed in 42 U.S.C. Sec. 7671a, as it read on November 15, 1990, or those substances listed in Appendix A or B of Subpart A of 40 C.F.R. Part 82, as those read on January 3, 2017.
- (3) "Climate advisory team" means the stakeholder group formed in response to executive order 07-02.
- 19 (4) "Climate impacts group" means the University of Washington's climate impacts group.
 - (5) "Department" means the department of ecology.
 - (6) "Director" means the director of the department.

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- (7) "Greenhouse gas" and "greenhouse gases" includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and any other gas or gases designated by the department by rule.
 - (8) "Hydrofluorocarbons" means a class of greenhouse gases that are saturated organic compounds containing hydrogen, fluorine, and carbon.
- 30 (9) "Manufacturer" includes any person, firm, association, 31 partnership, corporation, governmental entity, organization, or joint 32 venture that produces any product that contains or uses 33 hydrofluorocarbons or is an importer or domestic distributor of such 34 a product.
- 35 (10) "Person" means an individual, partnership, franchise holder, 36 association, corporation, a state, a city, a county, or any 37 subdivision or instrumentality of the state.
 - (11) "Program" means the department's climate change program.

- 1 (12) "Residential consumer refrigeration products" has the same 2 meaning as defined in section 430.2 of Subpart A of 10 C.F.R. Part 3 430 (2017).
- 4 (13) "Retrofit" has the same meaning as defined in section 152 of 5 Subpart F of 40 C.F.R. Part 82, as that section existed as of January 6 3, 2017.
- 7 (14) "Substitute" means a chemical, product substitute, or alternative manufacturing process, whether existing or new, that is 8 used to perform a function previously performed by a class I 9 substance or class II substance and any substitute subsequently 10 adopted to perform that function, including, but not limited to, 11 hydrofluorocarbons. "Substitute" does not include 2-BTP or any 12 13 compound as applied to its use in aerospace fire extinguishing 14 systems.
- 15 (15) "Western climate initiative" means the collaboration of 16 states, Canadian provinces, Mexican states, and tribes to design a 17 multisector market-based mechanism as directed under the western 18 regional climate action initiative signed by the governor on February 19 22, 2007.
- 20 (16) "Carbon sequestration" means the process of capturing and 21 storing atmospheric carbon dioxide through biologic, chemical, 22 geologic, or physical processes.

Passed by the House February 16, 2020. Passed by the Senate March 5, 2020. Approved by the Governor March 19, 2020. Filed in Office of Secretary of State March 19, 2020.

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