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**HOUSE BILL 1574**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Rule, Duerr, Dye, Doglio, Walsh, Lekanoff, Chapman, Berry, Springer, Reeves, Schmidt, Barnard, Eslick, Ramel, Peterson, Sandlin, and Reed

AN ACT Relating to supporting Washington agriculture by capturing methane and reducing greenhouse gas emissions; amending RCW 89.08.610 and 89.08.615; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that Washington's crop and livestock farms offer some of the most cost-effective, readily available opportunities to reduce greenhouse gas emissions to help achieve the state's pollution reduction goals.

Examples include development of anaerobic digesters, which reduce greenhouse gas emissions by capturing methane from organic waste to produce renewable natural gas and electricity and recover nutrients for biofertilizers that displace synthetic fertilizers produced using fossil natural gas or mined in distant locations. Recovered fiber can be used to produce biochar to enhance soil structure, retain water and nutrients, and provide long-term carbon sequestration. Alternative manure and agriculture waste management practices can reduce greenhouse gas emissions on smaller farms while providing organic compost that can replace synthetic fertilizers, improve soil health, and sequester carbon. These practices also improve water and air quality.

Expanding this program supports implementation of the department of ecology's use food well Washington plan for food waste reduction, the department of commerce's latest state energy strategy, and the findings of the department of commerce's rural clean energy advisory committee. It also supports and helps coordinate the agricultural community's involvement in achieving the goals of greenhouse gas emissions policies under the climate commitment act, clean fuels program, organic materials management act, and healthy homes and clean buildings act.

Therefore, it is the intent of the legislature to appropriate funds through the state conservation commission's sustainable farms and fields program that support these practices on crop and livestock farms while supporting research that leads to new, innovative approaches to reduce greenhouse gas emissions, creating renewable energy, and marketable by-products.

**Sec.**  RCW 89.08.610 and 2020 c 351 s 2 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW 89.08.615 through 89.08.635 unless the context clearly requires otherwise.

(1) "Alternative manure and agricultural waste management" means the suite of practices that collect, treat, and store manure and agricultural waste to reduce greenhouse gas emissions.

(2) "Carbon dioxide equivalent emission" means a metric measure used to compare the emission impacts from various greenhouse gases based on their relative radiative forcing effect over a specified period of time compared to carbon dioxide emissions.

((~~(2)~~)) (3) "Carbon dioxide equivalent impact" means a metric measure of the cumulative radiative forcing impacts of both carbon dioxide equivalent emissions and the radiative forcing benefits of carbon storage.

((~~(3)~~)) (4) "Climate-smart agricultural waste management" means the suite of practices included in alternative manure and agricultural waste management and those practices to reduce greenhouse gas emissions.

(5) "Climate-smart livestock management" means the suite of practices including alternative manure and agricultural waste management or those practices that reduce enteric emissions of livestock or create manure-derived soil amendments to reduce greenhouse gas emissions.

(6) "Commission" means the Washington state conservation commission created in this chapter.

((~~(4)~~)) (7) "Conservation district" means one or a group of Washington state's conservation districts created in this chapter.

(8) "Precision agriculture" means the use of technological tools, typically geospatial, to increase farm operation efficiency while reducing fertilizer, pesticide, and fossil fuel usage and greenhouse gas emissions.

**Sec.**  RCW 89.08.615 and 2022 c 180 s 501 are each amended to read as follows:

(1) The commission shall develop a sustainable farms and fields grant program in consultation with the department of agriculture, Washington State University, and the United States department of agriculture natural resources conservation service.

(2) As funding allows, the commission shall distribute funds, as appropriate, to conservation districts and other public entities to help implement the projects approved by the commission.

(3) No more than 15 percent of the funds may be used by the commission to develop, or to consult or contract with private or public entities, such as universities or conservation districts, to develop:

(a) An educational public awareness campaign and outreach about the sustainable farm and field program; or

(b) The grant program, including the production of analytical tools, measurement estimation and verification methods, cost-benefit measurements, and public reporting methods.

(4) No more than five percent of the funds may be used by the commission to cover the administrative costs of the program.

(5) No more than 20 percent of the funds may be awarded to any single grant applicant.

(6) Allowable uses of grant funds include:

(a) Annual payments to enrolled participants for successfully delivered carbon storage or reduction;

(b) Up-front payments for contracted carbon storage;

(c) ((~~Down payments on equipment;~~

~~(d) Purchases~~)) Cost-share purchases of equipment;

((~~(e)~~)) (d) Purchase of seed, seedlings, spores, animal feed, and amendments;

((~~(f)~~)) (e) Services to ((~~landowners~~)) agricultural producers, such as the development of site-specific conservation plans, providing financial assistance to implement best management practices that increase carbon sequestration in soil organic matter levels and standing vegetation, reduce livestock and soil greenhouse gas emissions, or to increase soil organic levels or to increase usage of precision agricultural practices, or design and implementation of best management practices to reduce livestock emissions;

((~~(g)~~)) (f) The purchase of compost spreading equipment, or financial assistance to farmers to purchase compost spreading equipment, for the annual use for at least three years of volumes of compost determined by the commission to be significant from materials composted at a site that is not owned or operated by the farmer;

((~~(h)~~)) (g) Scientific studies to evaluate and quantify the greenhouse gas emissions avoided as a result of using crop residues as a biofuel feedstock or to identify management practices that increase the greenhouse gas emissions avoided as a result of using crop residues as a biofuel feedstock;

((~~(i)~~)) (h) Efforts to support the farm use of anaerobic digester digestate, including scientific studies, education and outreach to farmers, and the purchase or lease of digestate spreading equipment; and

((~~(j)~~)) (i) Other equipment purchases or financial assistance deemed appropriate by the commission to fulfill the intent of RCW 89.08.610 through 89.08.635.

(7)(a) When funds are appropriated through the sustainable farms and fields program for the specific purpose of improving encouraging climate-smart agricultural waste management and reducing greenhouse gas emissions through climate-smart livestock management in Washington, the funds must be used to provide the following:

(i) Cost-share grants for applicants licensed to conduct business in the state of Washington for anaerobic digester development including, but not limited to, digester projects that include codigestion of manure with other sources of agricultural or preconsumer organic waste;

(ii) Technical and financial assistance for climate-smart livestock management practices, including alternative manure and agricultural waste management;

(iii) Grants to public and private research institutions for innovative research and demonstration of projects with greenhouse gas reduction benefits, including dairy nutrient management projects that lead to reduction in greenhouse gas emissions;

(iv) Creation of an ongoing, multistakeholder advisory committee administered by the commission and the state department of agriculture to inform the agricultural community about opportunities to participate in various carbon emissions reduction programs, inform researchers and policymakers of practical implementation challenges, and guide grant awards under this subsection. Advisory committee representation must include the Washington state departments of ecology and commerce, Washington State University, the United States department of agriculture natural resources conservation service, Washington association of conservation districts, and representatives of agricultural producers and agricultural trade associations. The commission and the state department of agriculture must convene, staff, and develop agendas for advisory committee meetings, and solicit applications for and appoint committee members and subcommittee members as appropriate; and

(v) Creation of at least one position at the commission and other positions as needed with expertise in livestock nutrient management and carbon markets who will help disseminate information and provide support to agricultural producers applying for funding opportunities.

(b) No more than five percent of funding under this subsection may be used for administration for grant management, advisory committee support, analysis, and reporting.

(8) Grant applications are eligible for costs associated with technical assistance.

((~~(8)~~)) (9) Conservation districts and other public entities may apply for a single grant from the commission that serves multiple farmers.

((~~(9)~~)) (10) Conservation districts and other public entities, separately or jointly, may apply for grant funds to operate an equipment sharing program. Grant applicants may apply to share equipment purchased with grant funds. Applicants for equipment purchase grants issued under this grant program may be farm, ranch, or aquaculture operations ((~~coordinating as individual businesses~~)) or as formal cooperative ventures serving farm, ranch, or aquaculture operations. ((~~Conservation districts, separately or jointly, may also apply for grant funds to operate an equipment sharing program.~~

~~(10)~~)) (11) No contract for carbon storage or changes to management practices may exceed 25 years. Grant contracts that include up-front payments for future benefits must be conditioned to include penalties for default due to negligence on the part of the recipient.

((~~(11)~~)) (12) The commission shall attempt to achieve a geographically fair distribution of funds across a broad group of ((~~crop types, soil management~~)) commodities, climate-smart practices, and farm sizes.

((~~(12)~~)) (13) Any applications involving state lands leased from the department of natural resources or the department of fish and wildlife must include ((~~the~~)) that department's approval.

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