

SENATE BILL REPORT

SB 5325

As of January 18, 2023

Title: An act relating to enhancing access to clean fuel for agencies providing public transportation.

Brief Description: Enhancing access to clean fuel for agencies providing public transportation.

Sponsors: Senators Shewmake, Boehnke, Keiser, Lovelett, Randall and Wilson, C..

Brief History:

Committee Activity: Environment, Energy & Technology: 1/18/23.

Brief Summary of Bill

- Authorizes a public transportation benefit area authority to produce, use, sell, or distribute green electrolytic hydrogen and renewable hydrogen.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Angela Kleis (786-7469)

Background: Utilities and Transportation Commission. The Utilities and Transportation Commission (UTC) is a three-member commission appointed by the Governor and confirmed by the Senate. The UTC regulates the rates, services, facilities, and practices of utilities and transportation services.

Public Transportation Benefit Area. Washington state created several governance structures under which public transportation services are funded and operated. One type of governance established in statute is a public transportation benefit area (PTBA). To establish a PTBA and its boundaries, county governing bodies convene a public transportation improvement conference. The conference includes elected representatives from the county and every city or town within that county or counties that are to be part of a PTBA.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Before operations begin, a PTBA develops a comprehensive transit plan (plan) to determine service levels, specify funding requirements, and address effects on other transit systems in the PTBA. The funding requirements identified in the plan become the basis for seeking voter approval of funding for the PTBA's services. PTBAs have the authority to ask voters to approve a sales tax, business and occupation tax, or utility tax.

Each plan adopted by a PTBA is reviewed by the Washington State Department of Transportation to determine specified elements such as the completeness of service to be offered and whether the plan is eligible for matching state or federal funds.

In general, a PTBA has statutory powers to:

- carry out a general comprehensive plan;
- acquire, lease, construct, maintain, operate, and regulate the use of transportation facilities and properties; and
- fix rates for the use of such facilities and to establish various routes and classes of service.

Summary of Bill: A PTBA authority is authorized to:

- produce green electrolytic hydrogen and renewable hydrogen and use it for internal operations;
- produce, distribute for sale, or sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer; or
- sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer to or through facilities for end-use as a transportation fuel.

A PTBA authority is not authorized to sell green electrolytic hydrogen or renewable hydrogen to an end-use customer of a gas company.

Exercising the authority to produce, use, sell, or distribute green electrolytic hydrogen and renewable hydrogen does not subject the PTBA authority to the jurisdiction of the UTC. However, the PTBA authority is subject to administration and enforcement by the UTC of state and federal requirements related to pipeline safety and fees payable to the UTC that are applicable to such administration and enforcement.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Hydrogen fuel cells are a viable alternative to

battery vehicles. Installing the infrastructure will incentivize manufacturers to bring hydrogen vehicles into the state.

As we look at solutions to reduce emissions, we must look into options for buses. We are working to modernize the fleet and going more green. When exploring options for extending the range of buses, fuel cell technology was determined to be the best way to do that. Hydrogen fuel cell technology can be used in freight delivery, school buses, and dump trucks.

This bill compliments current efforts by creating jobs, addressing climate change, equity, public health issues, and expanding reliable transit opportunities. We must explore all options in order to achieve zero emissions goals.

CON: There are currently several private sector hydrogen producers in this space. We have concerns with authorizing a public entity subsidized by the public to compete with the private sector.

Persons Testifying: PRO: Seth Worley, Plumbers and Steamfitters UA Local 598; Michelle Detwiler, Renewable Hydrogen Alliance; Dave Warren, Twin Transit and WA Green Hydrogen Alliance; Hanna Jones, Pierce Transit; Martin Gibbins, League of Women Voters of WA; John Clauson, Kitsap Transit.

CON: Mike Ennis, Association of Washington Business.

Persons Signed In To Testify But Not Testifying: No one.