## HOUSE BILL 2429

State of Washington 68th Legislature 2024 Regular Session

By Representatives Ramel and Pollet

Read first time 01/18/24. Referred to Committee on Environment & Energy.

AN ACT Relating to the process to make recommendations for a project by the energy facility site evaluation council; and amending RCW 80.50.030, 80.50.071, 80.50.080, 80.50.090, and 80.50.100.

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

5 Sec. 1. RCW 80.50.030 and 2022 c 183 s 3 are each amended to 6 read as follows:

7 (1) The energy facility site evaluation council is created and 8 established.

(2) The chair of the council shall be appointed by the governor 9 10 with the advice and consent of the senate, shall have a vote on 11 matters before the council, shall serve for a term coextensive with the term of the governor, and is removable for cause. The chair may 12 13 designate a member of the council to serve as acting chair in the 14 event of the chair's absence. The salary of the chair shall be 15 determined under RCW 43.03.040. The chair is a "state employee" for 16 the purposes of chapter 42.52 RCW. As applicable, when attending 17 meetings of the council, members may receive reimbursement for travel 18 expenses in accordance with RCW 43.03.050 and 43.03.060, and are 19 eligible for compensation under RCW 43.03.250.

20 (3) (a) The council shall consist of the chair of the council and:

(i) The director of the department of ecology or the director's
 designee;

3 (ii) The director of the department of fish and wildlife or the 4 director's designee;

5 (iii) The director of the department of commerce or the 6 director's designee;

7 (iv) The chair of the utilities and transportation commission or 8 the chair's designee; and

9 (v) The commissioner of public lands or the commissioner's 10 designee.

11 (b) The directors, administrators, or their designees, of the 12 following departments, agencies, and commissions, or their statutory 13 successors, may participate as councilmembers at their own discretion 14 provided they elect to participate no later than sixty days after an 15 application is filed:

16 (i) Department of agriculture;

17 (ii) Department of health;

18 (iii) Military department; and

19 (iv) Department of transportation.

(4) The appropriate county legislative authority of every county wherein an application for a proposed site is filed shall appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the county which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site.

(5) The city legislative authority of every city within whose 27 corporate limits an energy facility is proposed to be located shall 28 29 appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at 30 31 such times as the council considers the proposed site for the city which he or she represents, and such member or designee shall serve 32 33 until there has been a final acceptance or rejection of the proposed 34 site.

35 (6) For any port district wherein an application for a proposed 36 port facility is filed subject to this chapter, the port district 37 shall appoint a member or designee as a nonvoting member to the 38 council. The member or designee so appointed shall sit with the 39 council only at such times as the council considers the proposed site 40 for the port district which he or she represents, and such member or

1 designee shall serve until there has been a final acceptance or 2 rejection of the proposed site. The provisions of this subsection 3 shall not apply if the port district is the applicant, either singly 4 or in partnership or association with any other person.

5 (7) A quorum of the council consists of a majority of members 6 appointed for business to be conducted. <u>Majority consensus by a</u> 7 <u>quorum of the council is required to conduct the business of the</u> 8 <u>council pursuant to RCW 80.50.040. No member of the council,</u> 9 <u>including the chair, may unilaterally conduct the council's business.</u>

10 Sec. 2. RCW 80.50.071 and 2022 c 183 s 8 are each amended to 11 read as follows:

(1) The council shall receive all applications for energy 12 facility site certification, provided that such applications contain 13 sufficient information for the council to complete its evaluation of 14 all potential impacts under chapter 43.21C RCW, the state 15 16 environmental policy act. If an application does not contain sufficient information for the council to make a threshold 17 determination required by RCW 43.21C.030, the application must be 18 rejected and not processed until such information is submitted. Each 19 20 applicant shall pay actual costs incurred by the council in 21 processing an application.

22 (a) Each applicant shall, at the time of application submission, pay to the council for deposit into the energy facility site 23 24 evaluation council account created in RCW 80.50.390 an amount up to ((fifty thousand dollars)) \$50,000, or such greater amount as 25 specified by the council after consultation with the applicant. The 26 27 council shall charge costs against the deposit if the applicant withdraws its application and has not reimbursed the council for all 28 29 actual expenditures incurred in considering the application.

30 (b) The council may commission its own independent consultant 31 study to measure the consequences of the proposed energy facility on 32 the environment or any matter that it deems essential to an adequate 33 appraisal of the site. The council shall provide an estimate of the 34 cost of the study to the applicant and consider applicant comments.

35 (c) In addition to the deposit required under (a) of this 36 subsection, applicants must reimburse the council for actual 37 expenditures that arise in considering the application, including the 38 cost of any independent consultant study. The council shall submit to 39 each applicant an invoice of actual expenditures made during the

1 preceding calendar quarter in sufficient detail to explain the 2 expenditures. The applicant shall pay the council the amount of the 3 invoice by the due date.

4 (2) Each certificate holder shall pay the actual costs incurred 5 by the council for inspection and determination of compliance by the 6 certificate holder with the terms of the certification relative to 7 monitoring the effects of construction, operation, and site 8 restoration of the facility.

(a) Each certificate holder shall, within ((thirty)) 30 days of 9 10 execution of the site certification agreement, pay to the council for deposit into the energy facility site evaluation council account 11 12 created in RCW 80.50.390 an amount up to ((fifty thousand dollars)) \$50,000, or such greater amount as specified by the council after 13 consultation with the certificate holder. The council shall charge 14 costs against the deposit if the certificate holder ceases operations 15 16 and has not reimbursed the council for all actual expenditures 17 incurred in conducting inspections and determining compliance with the terms of the certification. 18

(b) In addition to the deposit required under (a) of this 19 subsection, certificate holders must reimburse the council for actual 20 expenditures that arise in administering this chapter and determining 21 22 compliance. The council shall submit to each certificate holder an 23 invoice of the expenditures actually made during the preceding calendar quarter in sufficient detail to explain the expenditures. 24 25 The certificate holder shall pay the amount of the invoice by the due 26 date.

(3) If an applicant or certificate holder fails to provide the initial deposit, or if subsequently required payments are not received within thirty days following receipt of the invoice from the council, the council may (a) in the case of the applicant, suspend processing of the application until payment is received; or (b) in the case of a certificate holder, suspend the certification.

33 (4) All payments required of the applicant or certificate holder 34 under this section are to be made to the council for deposit into the energy facility site evaluation council account created in RCW 35 80.50.390. All such funds shall be subject to state auditing 36 procedures. Any unexpended portions of the deposit shall be returned 37 to the applicant within ((sixty)) 60 days following the conclusion of 38 39 the application process or to the certificate holder within ((sixty)) 40 60 days after a determination by the council that the certificate is

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no longer required and there is no continuing need for compliance with its terms. For purposes of this section, "conclusion of the application process" means after the governor's decision granting or denying a certificate and the expiration of any opportunities for judicial review.

6 (5)(a) Upon receipt of an application for an energy facility site 7 certification proposing an energy plant or alternative energy 8 resource that is connected to electrical transmission facilities of a 9 nominal voltage of at least one hundred fifteen thousand volts, the 10 council shall notify in writing the United States department of 11 defense. The notification shall include, but not be limited to, the 12 following:

13 (i) A description of the proposed energy plant or alternative 14 energy resource;

15 (ii) The location of the site;

16 (iii) The placement of the energy plant or alternative energy 17 resource on the site;

18 (iv) The date and time by which comments must be received by the 19 council; and

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(v) Contact information of the council and the applicant.

(b) The purpose of the written notification is to provide an 21 opportunity for the United States department of defense to comment 22 upon the application, and to identify potential issues relating to 23 the placement and operations of the energy plant or alternative 24 25 energy resource, before a site certification application is approved. 26 The time period set forth by the council for receipt of such comments shall not extend the time period for the council's processing of the 27 application. 28

(c) In order to assist local governments required to notify the United States department of defense under RCW 35.63.270, 35A.63.290, and 36.01.320, the council shall post on its website the appropriate information for contacting the United States department of defense.

33 Sec. 3. RCW 80.50.080 and 2013 c 23 s 282 are each amended to 34 read as follows:

After the council has received a site application, the attorney general shall appoint an assistant attorney general as a counsel for the environment. The counsel for the environment shall represent the public and its interest in protecting the quality of the environment. Costs incurred by the counsel for the environment in the performance

1 of these duties shall be charged to the office of the attorney general, and shall not be a charge against the appropriation to the 2 energy facility site evaluation council. He or she shall be accorded 3 all the rights, privileges, and responsibilities of an attorney 4 representing a party in a formal action. In the event that the 5 6 council commences an adjudication pursuant to RCW 80.50.090, the counsel for the environment shall take one of three positions in 7 final briefing for the adjudication: (1) Full support for the 8 application for site certification; (2) qualified support for the 9 application for site certification with recommended modifications; or 10 (3) opposition to approval of the application for site certification. 11 12 This section shall not be construed to prevent any person from being heard or represented by counsel in accordance with the other 13 14 provisions of this chapter.

15 Sec. 4. RCW 80.50.090 and 2022 c 183 s 9 are each amended to 16 read as follows:

(1) The council shall conduct an informational public hearing in the county of the proposed site as soon as practicable but not later than ((sixty)) <u>60</u> days after receipt of an application for site certification. However, the place of such public hearing shall be as close as practical to the proposed site.

(2) Subsequent to the informational public hearing, the council shall conduct a public hearing to determine whether or not the proposed site is consistent and in compliance with city, county, or regional land use plans or zoning ordinances on the date of the application.

27 (3) (a) After the submission of an environmental checklist and prior to issuing a threshold determination that a facility is likely 28 to cause a significant adverse environmental impact under chapter 29 30 43.21C RCW, the director must notify the project applicant and 31 explain in writing the basis for its anticipated determination of significance. Prior to issuing the threshold determination of 32 significance, the director must give the project applicant the option 33 of withdrawing and revising its application and the associated 34 environmental checklist to clarify or make changes to features of the 35 proposal that are designed to mitigate the impacts that were the 36 basis of the director's anticipated determination of significance. 37 38 The director shall make the threshold determination based upon the changed or clarified proposal following the applicant's submittal. 39

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1 The director must provide an opportunity for public comment on a 2 project for which a project applicant has withdrawn and revised the 3 application and environmental checklist and subsequently received a 4 threshold determination of nonsignificance or mitigated determination 5 of nonsignificance.

6 (b) The notification required under (a) of this subsection is not 7 an official determination by the director and is not subject to 8 appeal under chapter 43.21C RCW.

9 (4) Prior to the issuance of a council recommendation to the 10 governor under RCW 80.50.100 a public hearing, conducted as an 11 adjudicative proceeding under chapter 34.05 RCW, the administrative 12 procedure act, shall be held. <u>Such an adjudicative proceeding may not</u> 13 <u>be commenced until the council has completed its environmental</u> 14 <u>analysis under chapter 43.21C RCW, including the issuance of a final</u> 15 <u>environmental impact statement when applicable.</u>

16 (a) At such public hearing any person shall be entitled to be 17 heard in support of or in opposition to the application for certification by raising one or more specific issues, provided that 18 19 the person has raised the issue or issues in writing with specificity during the application review process or during the public comment 20 21 period that will be held prior to the start of the adjudicative 22 hearing. A person's right to be heard in support of or in opposition to the application for certification includes the right to call any 23 witness with relevant information, without limitation by a witness's 24 25 personal or professional affiliation or employment, except for the councilmembers or council staff. 26

27 (b) If the environmental impact of the proposed facility in an 28 application for certification is not significant or will be mitigated to a nonsignificant level under RCW 43.21C.031, the council may limit 29 the topic of the public hearing conducted as an adjudicative 30 31 proceeding under this section to whether any land use plans or zoning 32 ordinances with which the proposed site is determined to be inconsistent under subsection (2) of this section should be 33 34 preempted.

(5) After expedited processing is granted under RCW 80.50.075, the council must hold a public meeting to take comments on the proposed application prior to issuing a council recommendation to the governor. 1 (6) Additional public hearings shall be held as deemed 2 appropriate by the council in the exercise of its functions under 3 this chapter.

4 Sec. 5. RCW 80.50.100 and 2022 c 183 s 10 are each amended to 5 read as follows:

6 (1)(a) The council shall report to the governor its 7 recommendations as to the approval or rejection of an application for 8 certification within ((twelve)) <u>24</u> months of receipt by the council 9 of an application deemed complete by the director, or such later time 10 as is mutually agreed by the council and the applicant.

(b) The council shall review and consider comments received during the application process in making its recommendation.

(c) In the case of an application filed prior to December 31, 13 2025, for certification of an energy facility proposed for 14 15 construction, modification, or expansion for the purpose of providing 16 generating facilities that meet the requirements of RCW 80.80.040 and 17 are located in a county with a coal-fired electric generation facility subject to RCW 80.80.040(3)(c), the council shall expedite 18 the processing of the application pursuant to RCW 80.50.075 and shall 19 20 report its recommendations to the governor within ((one hundred 21 eighty)) 180 days of receipt by the council of such an application, 22 or a later time as is mutually agreed by the council and the 23 applicant.

24 <u>(d) Time limits set forth under this section restart in the event</u>
25 that the applicant makes substantive changes to the scope or design
26 of the energy facility that is the subject of the application for
27 certification.

28 (2) If the council recommends approval of an application for certification, it shall also submit a draft certification agreement 29 30 with the report. The council shall include conditions in the draft 31 certification agreement to implement the provisions of this chapter 32 including, but not limited to, conditions to protect state, local governmental, or community interests, or overburdened communities as 33 defined in RCW 70A.02.010 affected by the construction or operation 34 35 of the facility, and conditions designed to recognize the purpose of laws or ordinances, or rules or regulations promulgated thereunder, 36 37 that are preempted or superseded pursuant to RCW 80.50.110 as now or 38 hereafter amended.

1 (3)(a) Within 60 days of receipt of the council's report the 2 governor shall take one of the following actions:

3 (i) Approve the application and execute the draft certification 4 agreement; or

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(ii) Reject the application; or

6 (iii) Direct the council to reconsider certain aspects of the 7 draft certification agreement.

(b) The council shall reconsider such aspects of the draft 8 certification agreement by reviewing the existing record of the 9 application or, as necessary, by reopening the adjudicative 10 proceeding for the purposes of receiving additional evidence. Such 11 12 reconsideration shall be conducted expeditiously. The council shall resubmit the draft certification to the governor incorporating any 13 14 amendments deemed necessary upon reconsideration. Within 60 days of receipt of such draft certification agreement, the governor shall 15 16 either approve the application and execute the certification 17 agreement or reject the application. The certification agreement 18 shall be binding upon execution by the governor and the applicant.

19 (4) The rejection of an application for certification by the 20 governor shall be final as to that application but shall not preclude 21 submission of a subsequent application for the same site on the basis 22 of changed conditions or new information.

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