
ENGROSSED SECOND SUBSTITUTE SENATE BILL 6092

State of Washington

68th Legislature

2024 Regular Session

By Senate Ways & Means (originally sponsored by Senators Shewmake and Nguyen)

READ FIRST TIME 02/05/24.

1 AN ACT Relating to disclosure of greenhouse gas emissions; adding
2 a new section to chapter 70A.45 RCW; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that
5 Washingtonians are embracing a clean energy future and reducing the
6 state's greenhouse gas emissions over time. They desire accurate
7 information about the emissions associated with the products they
8 purchase and the power that they consume. The largest businesses in
9 the state are already assessing their carbon footprint in response to
10 consumer demands and in order to comply with policies such as the
11 Washington climate commitment act, chapter 70A.65 RCW. Consumers want
12 to know about the complete emissions footprint of a business, not
13 only the direct emissions from operations they own or control, but
14 also those emissions associated with their supply chains and the
15 extraction and processing of raw materials.

16 (2) The legislature also finds that to avoid confusing and
17 duplicative reporting, the largest businesses should employ
18 consistent protocols to inventory their emissions. Therefore, the
19 legislature intends that these emissions inventories should be
20 performed regularly, made easily accessible for review by the public,
21 and independently audited to ensure their accuracy and completeness.

1 The inventory should also rely to the extent practicable upon
2 existing emissions reporting requirements associated with other state
3 or federal emissions reduction policies. It should minimize
4 additional regulatory requirements and rely upon independent auditing
5 as well as the public's review to ensure the inventory information is
6 complete, accurate, and useful.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 70A.45
8 RCW to read as follows:

9 (1) The department is directed to develop policy recommendations
10 to address climate-related disclosure requirements in Washington. In
11 developing policy recommendations, the department is directed to:

12 (a) Research and follow developments in the climate-related
13 disclosure requirements administered by the United States securities
14 and exchange commission including, but not limited to, the final
15 version of the rule contemplated under 87 Fed. Reg. 21,334 (April 11,
16 2022); and

17 (b) No later than 18 months after the adoption of the final rule
18 referenced in (a) of this subsection, deliver a report to the
19 legislature that contains findings and recommendations for the design
20 and implementation of climate-related disclosure requirements in
21 Washington.

22 (2) The report with findings and recommendations identified in
23 subsection (1)(b) of this section must include:

24 (a) Recommendations on how Washington law governing climate-
25 related disclosures can align, to the extent practicable, with the
26 climate-related disclosure requirements administered by the United
27 States securities and exchange commission and described in the final
28 version of the rule contemplated in 87 Fed. Reg. 21,334 (April 11,
29 2022), including special consideration for the following;

30 (b) The use of consistent reporting methodologies and definitions
31 in order to facilitate compliance and avoid duplicative accounting;

32 (c) Recommendations concerning how disclosures are filed,
33 accepted, and made available to the public, including the possibility
34 for acceptance of disclosures filed under other federal or state
35 programs, to satisfy any proposed climate-related disclosure
36 requirements under Washington law; and

37 (d) Determinations on whether the climate-related disclosure
38 requirements administered by the United States securities and
39 exchange commission and described in 87 Fed. Reg. 21,334 (April 11,

1 2022) are sufficient to track emissions for the purposes of
2 compliance with chapters 70A.65 and 70A.535 RCW and RCW 70A.45.020.
3 Special consideration must be given to:

4 (i) Determining whether disclosure requirements for scope 1 and
5 scope 2 emissions are adequately designed to track a reporting
6 entity's greenhouse gas emissions and feasible for reporting entities
7 to comply with;

8 (ii) Determining whether disclosure requirements for scope 3
9 emissions are adequately designed to track a reporting entity's
10 greenhouse gas emissions and feasible for reporting entities to
11 comply with;

12 (iii) Determining which persons or entities should be obligated
13 to file climate-related disclosures under Washington law; and

14 (iv) Determining the extent to which additional reporting
15 requirements may cause reporting entities or downstream entities in
16 the supply chain to incur financial costs.

17 (3) The definitions in this subsection apply throughout this
18 section unless the context clearly requires otherwise.

19 (a) "Climate-related disclosure" means a voluntary or mandatory
20 report disclosing information concerning a reporting entity's
21 operations for the purpose of evaluating its greenhouse gas
22 emissions, overall environmental impact, investment, and activities
23 related to mitigating environmental impact, and any relevant
24 financial activity.

25 (b) "Reporting entity" includes a partnership, corporation,
26 limited liability company, or other business entity required to
27 report greenhouse gas emissions under Washington law.

28 (c) "Scope 1 emissions" means all direct greenhouse gas emissions
29 that stem from sources that a reporting entity owns or directly
30 controls, regardless of location including, but not limited to, fuel
31 combustion activities.

32 (d) "Scope 2 emissions" means indirect greenhouse gas emissions
33 from electricity purchased and used by a reporting entity, regardless
34 of location.

35 (e) (i) "Scope 3 emissions" means indirect greenhouse gas
36 emissions, other than scope 2 emissions, from activities of a
37 reporting entity that stem from sources that the reporting entity
38 does not own or directly control and may include, but are not limited
39 to, emissions associated with the reporting entity's supply chain,

1 business travel, employee commutes, procurement, waste, and water
2 usage, regardless of location.

3 (ii) For the oil, gas, coal, and natural gas industries, scope 3
4 emissions include emissions from the use of products sold by that
5 reporting entity.

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