

HOUSE BILL REPORT

HB 1550

As Reported by House Committee On:

Environment & Energy

Title: An act relating to improving the end-of-life management of electric vehicle batteries.

Brief Description: Improving the end-of-life management of electric vehicle batteries.

Sponsors: Representatives Street, Doglio, Mena, Hunt, Ramel, Berry, Reed, Duerr, Gregerson, Kloba, Paul, Parshley, Callan, Taylor, Ormsby, Pollet, Santos, Scott, Macri and Hill.

Brief History:

Committee Activity:

Environment & Energy: 2/6/25, 2/10/25, 2/20/25 [DPS].

Brief Summary of Substitute Bill

- Establishes registration, reporting, and management responsibilities for providers, secondary users, secondary handlers, and recyclers of electric vehicle propulsion batteries.

HOUSE COMMITTEE ON ENVIRONMENT & ENERGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 21 members: Representatives Doglio, Chair; Hunt, Vice Chair; Dye, Ranking Minority Member; Klicker, Assistant Ranking Member; Abbarno, Abell, Barnard, Berry, Duerr, Fey, Fitzgibbon, Kloba, Ley, Mena, Mendoza, Ramel, Stearns, Street, Stuebe, Wylie and Ybarra.

Staff: Jacob Lipson (786-7196).

Background:

Solid Waste Management.

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.

Under the state's solid waste management laws, local governments are the primary government entity responsible for implementing state solid waste management requirements. The Department of Ecology (Ecology) also has certain roles in overseeing the administration of solid waste management laws. Ecology is responsible for working cooperatively with local governments as they develop their local solid waste management plans. County and city solid waste management plans are required to contain certain elements, including a waste reduction and recycling element.

The Legislature has enacted laws that require the establishment of extended producer responsibility or product stewardship (EPR) programs for the management of six types of products: (1) electronic products; (2) light bulbs that contain mercury; (3) photovoltaic solar panels; (4) pharmaceuticals; (5) paint; and (6) batteries. In general, the state's EPR programs require producers to participate in a stewardship organization or program that is responsible for the collection, transport, and end-of-life management of products covered by each program. Ecology is responsible for the oversight of the state's EPR programs, with the exception of the Pharmaceutical Stewardship Program, which is overseen by the Department of Health.

The 2023 Battery Extended Producer Responsibility Law.

The battery EPR law was enacted in 2023 (2023 battery EPR law), and applies primarily to portable batteries and medium-format batteries, which are defined based on their weight and watt-hour rating. Portable battery producers must participate in and fund a stewardship organization to implement a stewardship plan for the post-consumer management of their batteries, beginning in 2027. The same obligations apply to producers of medium-format batteries beginning in 2029.

Large-format batteries, with a weight of at least 25 pounds or a rating of 2,000 watt-hours, are excluded from the stewardship organization plan implementation requirements that apply to producers of portable and medium-format batteries under the 2023 battery EPR law. However, large-format batteries are subject to the same labeling requirements applicable to portable and medium-format batteries under the 2023 battery EPR law:

- Beginning in 2028, large-format batteries must be marked with an identification of the battery's producer.
- Beginning in 2030, large-format batteries must be marked with proper labeling to ensure collection and recycling, by identifying the chemistry of the battery and that the battery should not be disposed of as household waste.

The 2023 battery EPR law also required Ecology to research electric vehicle (EV) batteries and provide a report with recommendations to the Legislature in 2024. Ecology's 2024 report included three primary recommendations, including:

- providing training, education, and resources to first responders, second responders, and automotive recyclers related to EV batteries;
- determining who should have financial responsibility and liability for EV batteries;
- and

- forming a Washington State EV battery management task force with stakeholders to address policy needs.

Vehicle Battery Recycling Program.

Since 1989, Ecology has been authorized to implement and enforce a Vehicle Battery Recycling Program that is separate from the 2023 battery EPR law. Batteries covered by the Vehicle Battery Recycling Program include batteries with a core of elemental lead that are capable of use in any vehicle, truck, boat, airplane, or utility vehicle, and capable of producing 6 or more volts. The Vehicle Battery Recycling Program prohibits the disposal of covered batteries except by delivery to a person selling lead acid batteries, Ecology-authorized collectors, or to a secondary lead smelter. The retail sale of each vehicle battery must include in the price of a battery sale a core charge of at least \$5, which is applied unless the purchaser offers the seller an equivalent used battery. People that sell vehicle batteries at retail in Washington must accept used vehicle batteries from a battery purchaser at the time of purchase of a replacement battery, and must post notices to inform customers of certain requirements of the Vehicle Battery Recycling Program.

Summary of Substitute Bill:

Registration and reporting requirements are established for the management of batteries used to propel electric or hybrid vehicles capable of being moved on a public highway (propulsion batteries) by battery providers, secondary handlers, secondary users, and specialized battery recyclers. Batteries for wheelchairs, mopeds, bicycles, foot scooters, personal assistive mobility devices, golf carts, and personal delivery devices are excluded from these requirements.

The responsible entity for a battery whose costs of end-of-life management present a burden after it has been removed from a vehicle (spent battery) is generally the battery provider. Battery providers are defined to include persons that initially sell a new propulsion battery or vehicle containing a new propulsion battery, brand or trademark owners or licensees for new propulsion batteries, and persons that sell, install or distribute batteries into the state. However, for batteries that have been modified by a secondary handler or user for use other than in a vehicle, the secondary handler or user is the responsible entity for the battery. Propulsion batteries for which there is no battery provider or other responsible entity must be managed through a plan submitted by battery providers and approved by Ecology.

Battery providers must:

- register with Ecology by 2026;
- provide annual reports to Ecology, beginning in 2029, that include specified information regarding their activities in the previous calendar year;
- retrieve propulsion batteries from auto recyclers, vehicle wreckers, and other persons in a timely and safe manner and be responsible for the costs of collecting and

- transporting the battery;
- be responsible for the end-of-life management of propulsion batteries, and coordinate with specialized battery recyclers that achieve minimum specified recycling efficiency rates for cobalt, copper, lithium, nickel, and other battery materials;
- ensure that propulsion batteries have easily accessible data regarding the battery's state of health, and make available battery health information to secondary handlers and users upon request; and
- submit a plan to Ecology by January 1, 2029, to address the management of propulsion batteries for which a battery provider or other responsible entity no longer exists.

Secondary handlers and users must:

- use labeling to identify a propulsion battery provider or the last entity to have modified a spent battery, and notify the responsible entity;
- coordinate with specialized battery recyclers for end-of-life management of the battery;
- provide updated labeling upon modifying a propulsion battery;
- report annually to Ecology, beginning in 2029, specified information regarding their activities in the previous calendar year; and
- manage propulsion batteries in a manner that prioritizes reuse and repurposing over recycling.

Specialized battery recyclers must register with Ecology in 2026 and submit annual reports to Ecology beginning in 2029.

Persons seeking to discard a propulsion battery must return the battery or vehicle containing the battery to the responsible entity, or notify the responsible entity and coordinate timely and safe pickup, or else sell the battery or vehicle to another party. Consumers may not be charged a point-of-sale fee to cover administrative or operative costs associated with propulsion battery management, and a fee may not be charged at the time a propulsion battery is delivered to a battery provider, secondary handler, or secondary user.

Ecology may adopt rules as necessary to implement battery management requirements. Ecology must revise rules to ensure compliance with federal standards. Battery providers registered with Ecology must submit a one-time payment by June 30, 2026, to cover Ecology's oversight costs through June 30, 2027, and must pay annual fees to cover Ecology's oversight costs beginning in June, 2027. Ecology may require battery providers to provide information to Ecology, such as sales data, to allow Ecology to equitably impose fees on battery producers.

Ecology may enter propulsion battery recycling or producer facilities to determine compliance. Ecology may impose civil penalties of up to \$1,000 per violation per day for violations of propulsion battery management requirements or up to \$10,000 per violation per day for repeated violations. Penalties may be appealed to the Pollution Control

Hearings Board, and collected penalties must be deposited in the Model Toxics Control Operating Account.

Propulsion batteries are excluded from the requirements of the 1989 Vehicle Battery Recycling Program and the requirements of the 2023 battery EPR law.

Beginning June 1, 2029, solid waste collection companies and solid waste handling facilities are prohibited from knowingly accepting for disposal propulsion batteries or propulsion battery modules or cells. Ecology must notify secondary handlers and users, among others, on the prohibition on landfilling of propulsion batteries.

Substitute Bill Compared to Original Bill:

As compared to the original bill, the substitute bill strikes the underlying bill, and provides for the following:

- It prohibits solid waste collection companies and solid waste handling facilities from knowingly accepting for disposal a propulsion battery.
- It specifies the responsible entity for a propulsion battery whose costs associated with end-of-life management of the battery present a burden for a secondary person that has removed the spent battery:
 - for batteries modified by a secondary handler for use other than in a vehicle, the responsible entity is the party that modified the battery;
 - for other batteries, or for propulsion batteries that do not otherwise have a responsible entity, the responsible entity is the battery provider, which is defined as one of several categories of persons associated with the introduction of a new propulsion battery in commerce in Washington; and
 - orphaned propulsion batteries for which there is no battery providers must be managed under a plan submitted to Ecology by battery providers.
- It establishes requirements applicable to secondary handlers and users, including:
 - to label and notify responsible entities for spent batteries, and for the responsible entities to transport the battery at no cost to the secondary handler or user;
 - to coordinate with battery recyclers that meet certain criteria for the end-of-life management of the battery—for batteries that are not able to be reused, repurposed, or remanufactured;
 - to manage batteries in a manner consistent with a battery waste management hierarchy; and
 - to register with Ecology and annually report specified information to Ecology regarding their propulsion battery management activities.
- It establishes requirements applicable to battery providers, including:
 - to register with and annually report information to Ecology;
 - to be responsible for all costs of collecting and transporting propulsion batteries from auto recyclers, vehicle wreckers, or other persons with spent batteries that request the battery provider retrieve the battery;

- to coordinate with battery recyclers for the end-of-life management of propulsion batteries that achieve minimum recycling efficiency recovery rates for cobalt, copper, lithium, nickel, and other battery materials;
 - to ensure that propulsion batteries have easily interpretable and accessible data on the battery's state of health, including making available data regarding the battery's temperature, voltage, charging rates, and faults, either directly to a secondary handler or user or through the use of a licensed tool that allows access to such data; and
 - to submit a plan, individually or in coordination with other battery providers, addressing how battery management requirements will be met for a propulsion battery for which no battery provider or other responsible entity exists.
- It establishes requirements applicable to battery recyclers, including registering with and annually reporting information to Ecology.
 - It requires persons that are not battery providers, commercial secondary handlers or users seeking to discard a propulsion battery to return the battery to the responsible entity or coordinate with the responsible entity, or sell or transfer the battery to a commercial entity acting as a secondary handler, secondary user, or battery recycler.
 - It prohibits consumers from being charged a point-of-sale or point-of-return fee for the costs associated with propulsion battery management.
 - It requires battery providers to pay annual fees to Ecology to cover administrative and oversight costs associated with propulsion battery requirements.
 - It authorizes Ecology to impose civil penalties for violations of propulsion battery requirements, and provides for penalties to be appealed to the Pollution Control Hearings Board.
 - It authorizes Ecology to adopt rules, and requires Ecology's rules to provide for registration and reporting to rely on a standardized online form.
 - It excludes propulsion batteries from requirements applicable under existing law to lead-acid vehicle battery core charges, and from labeling requirements applicable to large-format batteries under the 2023 battery EPR law.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 21, 2025.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The introduced version of this bill was based on a law enacted in New Jersey, but proponents of this proposal are hoping to include components of a proposal being negotiated in New Mexico and Colorado. Fees should not be charged for recycling an electric vehicle battery, and electric vehicle batteries should not be a burden on vehicle

recycling facilities. Lithium is infinitely recyclable, and avoids the need to mine it in environmentally impactful ways. Those who benefit from introducing electric vehicle batteries into commerce should bear the costs of recycling those batteries.

(Opposed) Vehicle battery remanufacturers should not bear the same compliance obligations as original battery manufacturers. Vehicle battery remanufacturers extend the useable life of batteries, and should not be discouraged from putting batteries to their highest and best use. Existing battery recycling systems should be relied upon for end-of-life management.

(Other) Vehicle wreckers need assurances that they will be able to reuse, recycle, and dispose of batteries through existing mechanisms. Damaged batteries pose particular challenges for recycling and end-of-life management.

Persons Testifying: (In support) Representative Chipalo Street, prime sponsor; Heather Trim, Zero Waste Washington; and James King, Automotive Recyclers of Washington.

(Opposed) Catalina Jelkh Pareja, LKQ Corporation; and Emil Nusbaum, Automotive Recyclers Association.

(Other) Peter Lyon, Washington Department of Ecology, Solid Waste Management Program; and Gary Smith, Independent Business Association.

Persons Signed In To Testify But Not Testifying:

Peter Godlewski, Association of Washington Business; Holly Chisa, Recycled Materials Assn; Daniel Zotos, Redwood Materials; Brandon Houskeeper, Alliance for Automotive Innovation; and Jessica Dunn, Union of Concerned Scientists.