

## Washington State Legislature Climate Related Bills (04/23/2019)

**SB 5116: 100% Clean Electricity by 2045 – Passed Legislature**

<https://app.leg.wa.gov/billssummary?BillNumber=5116&Year=2019&Initiative=false>

**Bill:** <http://lawfilesextra.leg.wa.gov/biennium/2019-20/Pdf/Bills/Senate%20Passed%20Legislature/5116-S2.PL.pdf>

**Bill Report:** <http://lawfilesextra.leg.wa.gov/biennium/2019-20/Pdf/Bill%20Reports/Senate/5116-S2.E%20SBR%20HA%2019.pdf> The final bill report is not on line yet. However, the Senate adopted the House amendments, listed on pgs 11 & 12 and below:

### Bill Report:

- Requires all electric utilities to eliminate from their allocation of electricity coal-fired resources by December 31, 2025.
- Requires each electric utility to make all retail sales of electricity greenhouse gas neutral by January 1, 2030.
- Sets a standard for each electric utility to meet 100 percent of its retail electric load using non-emitting and renewable resources by January 1, 2045.
- Establishes an administrative penalty equal to \$60 for each megawatt-hour for noncompliance, adjusted for inflation.
- Amends the Utilities and Transportation Commission's ratemaking authority to include consideration of property acquired or constructed during the rate-effective period.
- Requires electrical and gas companies to use the social cost of carbon for planning, evaluating, and acquiring all resources.
- Amends and extends sales and use tax exemptions.
- Adds federal incremental hydroelectricity as an eligible renewable resource under Initiative 937.

### Other Notes:

- Requires utilities to eliminate any use of coal by 2025
- Utilities must be 100% carbon neutral by 2030, with 80% coming from “non-emitting electric generation and electricity from renewable resources (leaves room for nuclear, natural gas with CCS, or other nonrenewable non-carbon-emitting sources).
- For the final 20%, three options:
  - Renewable energy credits (RECs), i.e., vouchers certifying that someone else generated clean energy
  - An administrative penalty based on tons remaining uncovered (which effectively amounts to a \$100 per ton carbon tax)

- Energy Transformation Projects (ETPs) – “projects that provide energy-related goods and services other than electricity generation and result in a reduction of fossil fuel consumption and a reduction of GHG emissions, while providing benefits to the customers of the utility.” These could include electric vehicle infrastructure, weatherization, or renewable natural gas (RNG – natural gas drawn from, for example landfill or agricultural waste) projects.
- By 2045, all utilities must be self-generating 100% clean energy. The bill includes a “rolling cap” – the incremental costs of compliance cannot exceed 2% of the previous year’s electricity revenue. This may slow but should not stop compliance.
- Changes the regulatory environment, including granting the Utilities and Transportation Commission (UTC) a change from a return-on-capital model to a performance-based model.
- In addition to other details, the bill requires that all utilities fund energy assistance for low-income households, including reductions in billings, weatherization, and energy efficiency.
- The bill incentivizes family wage clean energy jobs.

*“Washington took on both sides of the problem. It set ambitious targets, but it also made fundamental changes to the utility regulatory model, aligning utility incentives with the targets. State power utilities must now, by law, consider carbon and equity in all their decisions and investments. And they can make higher returns for shareholders by performing well against carbon and equity metrics.*

*Similarly, the bill brought unions on board by structuring policy so that they benefit from more clean energy. They get access to more high-quality jobs the more clean energy gets built.*

*That’s the magic sauce, what Washington’s bill does better than any other state clean energy bill I’ve seen: It aligns the interests of utilities, energy developers, and unions behind the project of equitable decarbonization. They all benefit from it. That makes them allies in the fight, rather than at loggerheads, as they have so often been in the past. “*

David Roberts, for Vox 4/18/19 (Full article: <https://www.vox.com/energy-and-environment/2019/4/18/18363292/washington-clean-energy-bill>)

## Other Climate Bills that Passed the Legislature

For SB 5116, I included the link to the main bill page, the bill as passed legislature, and the bill report. The following just includes the link to the main page for that bill. Below the Bill History, under Available Documents, choose the “Bill as Passed Legislature” to read the final bill text. In some instances, the Final Bill Report is on the site, in some, you’ll just need to reference the most recent on the list.

### **HB 1070: Tax Treatment of Renewable Natural Gas – Passed Legislature/House Speaker**

Signed <https://app.leg.wa.gov/billsummary?BillNumber=1070&Initiative=false&Year=2019>

- Imposes business and occupation taxes on the sale of renewable natural gas by a public utility in lieu of public utility tax.

### **HB 1112: Reducing Greenhouse Gas Emissions from Hydrofluorocarbons – Passed Legislature**

<https://app.leg.wa.gov/billsummary?BillNumber=1112&Initiative=false&Year=2019>

- Restricts hydrofluorocarbons (HFCs) and other substitutes for ozone depleting substances (ODS) in products and equipment covered by a court-vacated 2015 United States Environmental Protection Agency regulation and authorizes the Department of Ecology (DOE) to adopt related rules.
- Directs the Department of Enterprise Services (DES) to establish a purchasing and procurement policy for products that do not use or were not manufactured using ODS substitutes or HFCs, or that are associated with HFCs or ODS substitutes with comparatively low global warming potential.
- Directs the State Building Code Council to adopt codes that do not require the use of restricted ODS substitutes.
- Directs the DOE to consult with other agencies and submit a study and report to the Legislature by December 2020 addressing certain uses of HFCs.

### **HB 1114: Food Waste Reduction to Fight Hunger and Reduce Environmental Impacts – Passed Legislature/House Speaker Signed**

<https://app.leg.wa.gov/billsummary?BillNumber=1114&Initiative=false&Year=2019>

- Establishes a goal of reducing food waste in the state by 50 percent by 2030, relative to 2015 levels.
- Directs the Department of Ecology to consult with the departments of Health and Agriculture to develop a wasted food reduction and food waste diversion plan by 2020 to achieve the 2030 food waste reduction goal.

- Authorizes wasted food reduction and food waste diversion to be among the state and local activities funded through the Waste Reduction, Recycling, and Litter Control Account.
- Requires the Department of Commerce to contract for an independent evaluation of the state's food waste and wasted food management system.

**HB 1126: Enabling Electric Utilities to Prepare for the Distributed Energy Future – Passed Legislature/House Speaker Signed**

<https://app.leg.wa.gov/billsummary?BillNumber=1126&Initiative=false&Year=2019>

- Establishes a declaration of state policy that any distributed energy resources planning process engaged in by an electric utility should accomplish certain goals.
- Requires the Legislature to conduct an initial review of the state's policy pertaining to distributed energy resources by January 1, 2023, and a full review by January 1, 2026, and every four years thereafter.

**HB 1257: Energy Efficiency – Passed Legislature**

<https://app.leg.wa.gov/billsummary?BillNumber=1257&Initiative=false&Year=2019>

- Requires the State Building Code Council to develop rules for electric vehicle infrastructure that require electric vehicle charging capability at all new buildings that provide on-site parking.
- Requires the Department of Commerce (Department) to establish a State Energy Performance Standard for covered commercial buildings by November 1, 2020.
- Requires the Department to establish a State Energy Performance Standard Early Adoption Incentive Program. Establishes energy benchmarking requirements for covered commercial buildings.
- Establishes a Natural Gas Conservation Standard.

**HB 1428: Concerning the Disclosure of Attributes of Electricity Products – Passed Legislature/House Speaker Signed**

<https://app.leg.wa.gov/billsummary?BillNumber=1428&Initiative=false&Year=2019>

- Makes changes to the state's fuel mix disclosure requirements for electric utilities.

**HB 1444: Concerning Appliance Efficiency Standards – Passed Legislature**

<https://app.leg.wa.gov/billsummary?BillNumber=1444&Initiative=false&Year=2019>

- Repeals federally-preempted appliance efficiency and testing standards.
- Amends the state appliance efficiency and testing standards for certain state-covered appliances.
- Establishes new minimum efficiency and testing standards for certain appliances.
- Establishes design requirements for electric storage water heaters.

- Authorizes the Department of Commerce to adopt rules that incorporate by reference federal efficiency standards for federally covered products only as the standards existed on January 1, 2018.

**HB 1512: Concerning the Electrification of Transportation – Passed Legislature/Signed by Governor (C109 L19)**

<https://app.leg.wa.gov/billsummary?BillNumber=1512&Initiative=false&Year=2019>

- Authorizes the governing bodies of a municipal utility or a public utility district commission to adopt an electrification of transportation plan (plan) that establishes that utility outreach and investment in the electrification of transportation infrastructure does not increase net costs to ratepayers in excess of 0.25 percent.
- Authorizes a regulated electric utility to submit a plan that establishes that utility outreach and investment in the electrification of transportation infrastructure does not increase net costs to ratepayers in excess of 0.25 percent.
- Expires the incentive rate of return on investment authorized by the Utilities and Transportation Commission for electric vehicle supply equipment deployed consistent with a plan on December 31, 2030.

**SB 5145: Concerning the Use of Hydraulic Fracturing in the Exploration for and Production of Oil and Natural Gas – Passed Legislature/Senate President Signed**

<https://app.leg.wa.gov/billsummary?BillNumber=5145&Initiative=false&Year=2019>

- The use of hydraulic fracturing for exploring for and producing oil and natural gas is prohibited. The use of hydraulic fracturing for other purposes is not prohibited.

**SB 5223: Concerning Net Metering – Passed Legislature/Senate President Signed**

<https://app.leg.wa.gov/billsummary?BillNumber=5223&Initiative=false&Year=2019>

- Creates a process for each electric utility to create a new standard rate or tariff schedule once June 30, 2029, or the 4 percent for the cumulative generating capacity available for net metering systems is reached, whichever comes first.
- Clarifies when a customer-generator may aggregate meters.
- Requires electric or gas utilities to include on customer bills the total amount of kWh of electricity consumed for the most recent 12-month period, or other information that provides customer energy usage.
- Prohibits an electric utility from establishing compensation arrangements or interconnection requirements, other than net metering, that would have the effect of prohibiting or restricting a customer's ability to consume the electricity it self-generates or stores on its premises.