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SECOND SUBSTITUTE HOUSE BILL 2815

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State of Washington

60th Legislature

2008 Regular Session

**By** House Appropriations (originally sponsored by Representatives Dunshee, Priest, Linville, Upthegrove, Nelson, Goodman, Hurst, Lantz, Hunt, Cody, McCoy, Quall, Pettigrew, Fromhold, Dickerson, Darneille, Appleton, Green, Sells, Pedersen, Jarrett, Conway, Morrell, Miloscia, Sullivan, Schual-Berke, McIntire, Williams, Hudgins, Simpson, Ericks, VanDeWege, and Ormsby; by request of Governor Gregoire)

READ FIRST TIME 02/12/08.

1 AN ACT Relating to creating a framework for reducing greenhouse  
2 gases emissions in the Washington economy; amending RCW 70.94.151 and  
3 70.94.161; adding a new section to chapter 47.01 RCW; adding a new  
4 section to chapter 43.330 RCW; adding a new chapter to Title 70 RCW;  
5 creating a new section; and repealing RCW 80.80.020.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington  
8 has long been a national and international leader on energy  
9 conservation and environmental stewardship, including air quality  
10 protection, renewable energy development and generation, emission  
11 standards for fossil-fuel based energy generation, energy efficiency  
12 programs, natural resource conservation, vehicle emission standards,  
13 and the use of biofuels. Washington is also unique among most states  
14 in that in addition to its commitment to reduce greenhouse gas  
15 emissions, it has established goals to grow the clean energy sector and  
16 reduce its expenditures on imported fuels.

17 (2) The legislature further finds that Washington should continue  
18 its leadership on climate change policy by creating accountability for  
19 achieving the emission reductions established in section 3 of this act,

1 participating in the design of a regional multisector market-based  
2 system to help achieve those emission reductions, and ensuring the  
3 state has a well trained workforce for our clean energy future.

4 (3) It is the intent of the legislature that the regional  
5 multisector market-based system designed as a result of this act will:  
6 (a) Limit and reduce emissions of greenhouse gases consistent with the  
7 emission reductions established in section 3 of this act; (b) minimize  
8 the potential to export pollution, jobs, and economic opportunities;  
9 and (c) reduce emissions at the lowest overall cost to the economy,  
10 consumers, and businesses.

11 (4) It is also the intent of the legislature that the regional  
12 multisector market-based system will become effective by January 1,  
13 2012, after authority is provided to the department for its  
14 implementation. By acting now, Washington businesses and citizens will  
15 have adequate time and opportunities to be well positioned to take  
16 advantage of the low-carbon economy and to make necessary investments  
17 in low-carbon technology.

18 (5) It is also the intent of the legislature that the regional  
19 multisector market-based system recognize Washington's unique emissions  
20 portfolio, the opportunities presented by Washington's abundant forest  
21 resources and agriculture land, and the state's leadership in the  
22 actions it has already undertaken that have reduced its generation of  
23 greenhouse gas emissions.

24 (6) It is also the intent of the legislature that if any revenues  
25 that accrue to the state are created by the multisector market-based  
26 system, they will be used to further the state's efforts to achieve the  
27 goals established in section 3 of this act, address the impacts of  
28 global warming on affected habitats, species, and communities, and  
29 increase investment in the clean energy economy particularly for  
30 communities and workers that have suffered from heavy job losses and  
31 chronic unemployment and underemployment.

32 NEW SECTION. **Sec. 2.** The definitions in this section apply  
33 throughout this chapter unless the context clearly requires otherwise.

34 (1) "Carbon dioxide equivalents" has the same meaning as defined in  
35 RCW 80.70.010.

36 (2) "Climate advisory team" means the stakeholder group formed in  
37 response to executive order 07-02.

1           (3) "Climate impacts group" means the University of Washington's  
2 climate impacts group.

3           (4) "Department" means the department of ecology.

4           (5) "Direct emissions" means emissions from sources of emissions,  
5 including stationary combustion sources, mobile combustion emissions,  
6 process emissions, and fugitive emissions.

7           (6) "Director" means the director of the department.

8           (7) "Downstream" means the point where greenhouse gases are  
9 emitted.

10          (8) "Greenhouse gas" and "greenhouse gas emissions" have the same  
11 meaning as "greenhouse gases" as defined in RCW 80.80.010.

12          (9) "Indirect emissions" means emissions associated with the  
13 purchase of electricity, heating, cooling, or steam.

14          (10) "Leakage" means the movement of manufacturing or other  
15 activities that result in greenhouse gas emissions from sources or  
16 areas subject to emission limits to sources or areas that are not  
17 subject to those limits.

18          (11) "Motor vehicle" has the same meaning as defined in RCW  
19 46.04.320.

20          (12) "Person" means an individual, partnership, franchise holder,  
21 association, corporation, a state, a city, a county, or any subdivision  
22 or instrumentality of a state.

23          (13) "Program" means the department's climate change program.

24          (14) "Total greenhouse gas emissions" means all direct emissions  
25 and all indirect emissions.

26          (15) "Upstream" means the point where products that will result in  
27 greenhouse gas emissions are produced or come into the state.

28          (16) "Verifiable" means capable of being substantiated on the basis  
29 of information and documentation that can be inspected by one or more  
30 parties, and shown to be complete, accurate, and prepared in accordance  
31 with publicly available methodologies and protocols for the measurement  
32 and quantification of greenhouse gas emissions or sequestered carbon  
33 dioxide.

34          (17) "Western climate initiative" means the collaboration of  
35 states, Canadian provinces, Mexican states, and tribes to design a  
36 multisector market-based mechanism as directed under the western  
37 regional climate action initiative signed by the governor on February  
38 22, 2007.

1        NEW SECTION.    **Sec. 3.**    (1)(a) The department shall develop and  
2 implement a program to limit greenhouse gas emissions to achieve the  
3 following emission reductions for Washington state:

4        (i) By 2020, reduce overall greenhouse gas emissions in the state  
5 to 1990 levels;

6        (ii) By 2035, reduce overall greenhouse gas emissions in the state  
7 to twenty-five percent below 1990 levels;

8        (iii) By 2050, the state will do its part to reach global climate  
9 stabilization levels by reducing overall emissions to fifty percent  
10 below 1990 levels, or seventy percent below the state's expected  
11 emissions that year.

12       (b) Consistent with this directive, the department shall take the  
13 following actions:

14       (i) Develop and implement a system for monitoring and reporting  
15 greenhouse gas emissions as required under RCW 70.94.151; and

16       (ii) Track progress toward meeting the emission reductions  
17 established in this subsection, including the results from policies  
18 currently in effect that have been previously adopted by the state and  
19 policies adopted in the future, and report on that progress.

20       (2) By December 31st of each even-numbered year beginning in 2010,  
21 the department and the department of community, trade, and economic  
22 development shall report to the governor and the appropriate committees  
23 of the senate and house of representatives the total greenhouse gas  
24 emissions for the preceding two years, and totals in each major source  
25 sector. The department shall ensure the reporting rules adopted under  
26 RCW 70.94.151 allow it to develop a comprehensive inventory of  
27 emissions of greenhouse gases from all significant sectors of the  
28 Washington economy.

29       (3)(a) The director shall develop, in coordination with the western  
30 climate initiative, a design for a regional multisector market-based  
31 system to limit and reduce emissions of greenhouse gas consistent with  
32 the emission reductions established in subsection (1) of this section.

33       (b) By December 1, 2008, the director and the director of the  
34 department of community, trade, and economic development shall deliver  
35 to the legislature specific recommendations for implementing the  
36 preferred design of a regional multisector market-based system. These  
37 recommendations must include:

1 (i) Proposed legislation, necessary funding, and the schedule  
2 necessary to implement the preferred design by January 1, 2012;

3 (ii) Any changes determined necessary to the reporting requirements  
4 established under RCW 70.94.151; and

5 (iii) Actions that the state should take to prevent manipulation of  
6 the multisector market-based system designed under this section.

7 (4) In developing the design of the regional multisector market-  
8 based system under subsection (3) of this section, the department shall  
9 coordinate with the department of community, trade, and economic  
10 development, and to the extent appropriate, the Washington utilities  
11 and transportation commission, the energy facility site evaluation  
12 council, and the department of transportation.

13 (5) In developing the design for the regional multisector market-  
14 based system under subsection (3) of this section, the department shall  
15 provide opportunity for public review and comment.

16 (6) In addition to the program development requirements of  
17 subsection (1) of this section, the department and the department of  
18 revenue shall provide a report to the legislature on the potential  
19 design and implementation of other strategies to achieve the greenhouse  
20 gas emission reductions required in this section. Strategies must  
21 include, but not be limited to, direct price signals that may be  
22 implemented in ways that are integrated with the program developed  
23 under subsection (1) of this section.

24 (7) In addition to the information required under subsection (3)(b)  
25 of this section, the director and the director of the department of  
26 community, trade, and economic development shall submit the following  
27 to the legislature by December 1, 2008:

28 (a) Information on progress to date in achieving the requirements  
29 of this act;

30 (b) The final recommendations of the climate advisory team,  
31 including recommended most promising actions to reduce greenhouse gas  
32 emissions or otherwise respond to climate change. These  
33 recommendations must include strategies to adopt a low-carbon fuel  
34 standard, to meet and exceed the renewable fuel standards in RCW  
35 19.112.110 and 19.112.120, and recommendations to increase the use of  
36 clean technology vehicles such as plug-in hybrid electric vehicles,  
37 zero emission vehicles, and other clean vehicle technologies;

1 (c) A request for additional resources and statutory authority  
2 needed to limit and reduce emissions of greenhouse gas consistent with  
3 this act including implementation of the most promising recommendations  
4 of the climate advisory team;

5 (d) Recommendations on how local governments could be included in  
6 the multisector market-based system designed under subsection (3) of  
7 this section; and

8 (e) Recommendations developed in consultation with the department  
9 of natural resources as appropriate for policies or programs that may  
10 be part of the regional multisector market-based system designed under  
11 subsection (3) of this section, to account for, in a way that  
12 contributes to achieving the goals of this section:

13 (i) Forestry and agricultural practices that remove atmospheric  
14 carbon dioxide on a renewable and recurring basis and sequester it in  
15 forests, forest products, and agricultural soils; and

16 (ii) The production and use of energy derived from renewable and  
17 recurring biomass sources.

18 **Sec. 4.** RCW 70.94.151 and 2005 c 138 s 1 are each amended to read  
19 as follows:

20 (1) The board of any activated authority or the department, may  
21 classify air contaminant sources, by ordinance, resolution, rule or  
22 regulation, which in its judgment may cause or contribute to air  
23 pollution, according to levels and types of emissions and other  
24 characteristics which cause or contribute to air pollution, and may  
25 require registration or reporting or both for any such class or  
26 classes. Classifications made pursuant to this section may be for  
27 application to the area of jurisdiction of such authority, or the state  
28 as a whole or to any designated area within the jurisdiction, and shall  
29 be made with special reference to effects on health, economic and  
30 social factors, and physical effects on property. In the case of  
31 greenhouse gas emissions as defined in section 2 of this act, the  
32 department shall adopt rules requiring reporting of those emissions.  
33 The rules must require that emissions from fossil fuels and those from  
34 fuels from biomass are reported separately.

35 (2) Except as provided in subsection (3) of this section, any  
36 person operating or responsible for the operation of air contaminant  
37 sources of any class for which the ordinances, resolutions, rules or

1 regulations of the department or board of the authority, require  
2 registration (~~and~~) or reporting shall register therewith and make  
3 reports containing information as may be required by such department or  
4 board concerning location, size and height of contaminant outlets,  
5 processes employed, nature of the contaminant emission and such other  
6 information as is relevant to air pollution and available or reasonably  
7 capable of being assembled. For greenhouse gas emissions as defined in  
8 section 2 of this act, the department shall determine by rule whether  
9 an air contaminant source must register with and report to the  
10 department. The department or board may require that such registration  
11 or reporting be accompanied by a fee, and may determine the amount of  
12 such fee for such class or classes: PROVIDED, That the amount of the  
13 fee shall only be to compensate for the costs of administering such  
14 registration or reporting program which shall be defined as initial  
15 registration and annual or other periodic reports from the source owner  
16 providing information directly related to air pollution registration,  
17 on-site inspections necessary to verify compliance with registration  
18 requirements, data storage and retrieval systems necessary for support  
19 of the registration program, emission inventory reports and emission  
20 reduction credits computed from information provided by sources  
21 pursuant to registration program requirements, staff review, including  
22 engineering or other reliable analysis for accuracy and currentness, of  
23 information provided by sources pursuant to registration program  
24 requirements, clerical and other office support provided in direct  
25 furtherance of the registration program, and administrative support  
26 provided in directly carrying out the registration program: PROVIDED  
27 FURTHER, That any such registration made with either the board or the  
28 department shall preclude a further registration and reporting with any  
29 other board or the department, except for greenhouse gas emissions as  
30 defined in section 2 of this act, which must be reported as required  
31 under subsection (5) of this section.

32 All registration program and reporting fees collected by the  
33 department shall be deposited in the air pollution control account.  
34 All registration program fees collected by the local air authorities  
35 shall be deposited in their respective treasuries.

36 (3) If a registration or report has been filed for a grain  
37 warehouse or grain elevator as required under this section,  
38 registration, reporting, or a registration program fee shall not, after

1 January 1, 1997, again be required under this section for the warehouse  
2 or elevator unless the capacity of the warehouse or elevator as listed  
3 as part of the license issued for the facility has been increased since  
4 the date the registration or reporting was last made. If the capacity  
5 of the warehouse or elevator listed as part of the license is  
6 increased, any registration or reporting required for the warehouse or  
7 elevator under this section must be made by the date the warehouse or  
8 elevator receives grain from the first harvest season that occurs after  
9 the increase in its capacity is listed in the license.

10 This subsection does not apply to a grain warehouse or grain  
11 elevator if the warehouse or elevator handles more than ten million  
12 bushels of grain annually.

13 (4) For the purposes of subsection (3) of this section:

14 (a) A "grain warehouse" or "grain elevator" is an establishment  
15 classified in standard industrial classification (SIC) code 5153 for  
16 wholesale trade for which a license is required and includes, but is  
17 not limited to, such a licensed facility that also conducts cleaning  
18 operations for grain;

19 (b) A "license" is a license issued by the department of  
20 agriculture licensing a facility as a grain warehouse or grain elevator  
21 under chapter 22.09 RCW or a license issued by the federal government  
22 licensing a facility as a grain warehouse or grain elevator for  
23 purposes similar to those of licensure for the facility under chapter  
24 22.09 RCW; and

25 (c) "Grain" means a grain or a pulse.

26 (5)(a) Except as provided in (b) of this subsection, the department  
27 shall, under the authority granted in subsection (1) of this section,  
28 adopt rules requiring annual reporting of total greenhouse gas  
29 emissions by any person who operates or is responsible for: (i)  
30 Operation of on-road motor vehicles that emit at least twenty-five  
31 hundred metric tons of greenhouse gas annually in the state to report  
32 the greenhouse gas emissions generated from or emitted by those on-road  
33 motor vehicles; or (ii) operations that emit at least ten thousand  
34 metric tons of greenhouse gas annually in the state. In calculating  
35 greenhouse gas emissions for purposes of determining whether or not  
36 reporting is required, only direct emissions shall be included. The  
37 greenhouse gas emissions must be reported as carbon dioxide  
38 equivalents. The rules must require that persons report 2009 emissions



1 starting in 2010. The rules must establish an annual reporting  
2 schedule that takes into account the time needed to allow the person  
3 reporting their greenhouse gas emissions to gather the information  
4 needed and to verify the emissions being reported. However, in no  
5 event may reports be submitted later than October 31st of the year in  
6 which the report is due. The department may phase in the reporting  
7 requirements for operations under (a)(ii) of this subsection until the  
8 reporting threshold is met, which must be met by January 1, 2012. The  
9 department may from time to time amend the rules to include other  
10 persons that emit less than the annual greenhouse gas emission levels  
11 set out in this subsection if necessary to comply with any federal  
12 reporting requirements for greenhouse gas emissions. In its rules, the  
13 department may also include reporting of emissions within the threshold  
14 established in (a)(ii) of this subsection resulting from upstream and  
15 downstream sources.

16 (b) In its rules, the department may defer the reporting  
17 requirement under (a) of this subsection for emissions associated with  
18 interstate commercial aircraft, rail, or marine vessels until (i) there  
19 is a federal requirement to report these emissions; or (ii) the  
20 department finds that there is a generally accepted reporting protocol  
21 for determining interstate emissions from these sources.

22 (c) The department shall share any reporting information reported  
23 to it with the local air authority in which the person reporting under  
24 the rules adopted by the department operates.

25 (d) Persons required to report under (a) of this subsection who  
26 fail to report or pay the fee are subject to enforcement penalties  
27 under this chapter. The department shall enforce the reporting rule  
28 requirements unless it approves a local air authority's request to  
29 enforce the requirements for persons operating within the authority's  
30 jurisdiction.

31 (e) The energy facility site evaluation council shall,  
32 simultaneously with the department, adopt rules that impose the same  
33 greenhouse gas reporting requirements in site certifications on persons  
34 operating or responsible for the operation of a facility permitted by  
35 the energy facility site evaluation council. The department shall  
36 share any information reported to it from facilities permitted by the  
37 energy facility site evaluation council with the council, including

1 notice of a facility that has failed to report as required. The energy  
2 facility site evaluation council shall contract with the department to  
3 monitor the reporting requirements adopted under this section.

4 (f) In developing its rules, the department shall, with the  
5 assistance of the department of transportation, identify a mechanism to  
6 report an aggregate estimate of the annual greenhouse gas emissions  
7 generated from or emitted by otherwise unreported on-road motor  
8 vehicles.

9 (g) The inclusion or failure to include any person, classes of  
10 persons, or types of greenhouse gas emissions into the department's  
11 rules for reporting under this section does not indicate whether such  
12 a person or category is appropriate for inclusion in the multisector  
13 market-based system designed under section 3 of this act.

14 (h) Should the federal government adopt rules governing the  
15 reporting of greenhouse gases, the department shall propose amendments  
16 to its rules, as necessary, to ensure administrative consistency with  
17 the federal rules and ensure duplicate reporting is not required.  
18 Nothing in this section requires the department to increase the  
19 reporting threshold established in (a) of this subsection or otherwise  
20 requires the department's rules be identical to the federal rules in  
21 scope.

22 (i) The definitions in section 2 of this act apply throughout this  
23 subsection (5) unless the context clearly requires otherwise.

24 **Sec. 5.** RCW 70.94.161 and 1993 c 252 s 5 are each amended to read  
25 as follows:

26 The department of ecology, or board of an authority, shall require  
27 renewable permits for the operation of air contaminant sources subject  
28 to the following conditions and limitations:

29 (1) Permits shall be issued for a term of five years. A permit may  
30 be modified or amended during its term at the request of the permittee,  
31 or for any reason allowed by the federal clean air act. The rules  
32 adopted pursuant to subsection (2) of this section shall include rules  
33 for permit amendments and modifications. The terms and conditions of  
34 a permit shall remain in effect after the permit itself expires if the  
35 permittee submits a timely and complete application for permit renewal.

36 (2)(a) Rules establishing the elements for a statewide operating  
37 permit program and the process for permit application and renewal

1 consistent with federal requirements shall be established by the  
2 department by January 1, 1993. The rules shall provide that every  
3 proposed permit must be reviewed prior to issuance by a professional  
4 engineer or staff under the direct supervision of a professional  
5 engineer in the employ of the permitting authority. The permit program  
6 established by these rules shall be administered by the department and  
7 delegated local air authorities. Rules developed under this subsection  
8 shall not preclude a delegated local air authority from including in a  
9 permit its own more stringent emission standards and operating  
10 restrictions.

11 (b) The board of any local air pollution control authority may  
12 apply to the department of ecology for a delegation order authorizing  
13 the local authority to administer the operating permit program for  
14 sources under that authority's jurisdiction. The department shall, by  
15 order, approve such delegation, if the department finds that the local  
16 authority has the technical and financial resources, to discharge the  
17 responsibilities of a permitting authority under the federal clean air  
18 act. A delegation request shall include adequate information about the  
19 local authority's resources to enable the department to make the  
20 findings required by this subsection(~~(if provided)~~). However, any  
21 delegation order issued under this subsection shall take effect ninety  
22 days after the environmental protection agency authorizes the local  
23 authority to issue operating permits under the federal clean air act.

24 (c) Except for the authority granted the energy facility site  
25 evaluation council to issue permits for the new construction,  
26 reconstruction, or enlargement or operation of new energy facilities  
27 under chapter 80.50 RCW, the department may exercise the authority, as  
28 delegated by the environmental protection agency, to administer Title  
29 IV of the federal clean air act as amended and to delegate such  
30 administration to local authorities as applicable pursuant to (b) of  
31 this subsection.

32 (3) In establishing technical standards, defined in RCW 70.94.030,  
33 the permitting authority shall consider and, if found to be  
34 appropriate, give credit for waste reduction within the process.

35 (4) Operating permits shall apply to all sources (a) where required  
36 by the federal clean air act, and (b) for any source that may cause or  
37 contribute to air pollution in such quantity as to create a threat to  
38 the public health or welfare. Subsection (b) of this subsection is not

1 intended to apply to small businesses except when both of the following  
2 limitations are satisfied: (i) The source is in an area exceeding or  
3 threatening to exceed federal or state air quality standards; and (ii)  
4 the department provides a reasonable justification that requiring a  
5 source to have a permit is necessary to meet a federal or state air  
6 quality standard, or to prevent exceeding a standard in an area  
7 threatening to exceed the standard. For purposes of this subsection  
8 "areas threatening to exceed air quality standards" shall mean areas  
9 projected by the department to exceed such standards within five years.  
10 Prior to identifying threatened areas the department shall hold a  
11 public hearing or hearings within the proposed areas.

12 (5) Sources operated by government agencies are not exempt under  
13 this section.

14 (6) Within one hundred eighty days after the United States  
15 environmental protection agency approves the state operating permit  
16 program, a person required to have a permit shall submit to the  
17 permitting authority a compliance plan and permit application, signed  
18 by a responsible official, certifying the accuracy of the information  
19 submitted. Until permits are issued, existing sources shall be allowed  
20 to operate under presently applicable standards and conditions provided  
21 that such sources submit complete and timely permit applications.

22 (7) All draft permits shall be subject to public notice and  
23 comment. The rules adopted pursuant to subsection (2) of this section  
24 shall specify procedures for public notice and comment. Such  
25 procedures shall provide the permitting agency with an opportunity to  
26 respond to comments received from interested parties prior to the time  
27 that the proposed permit is submitted to the environmental protection  
28 agency for review pursuant to section 505(a) of the federal clean air  
29 act. In the event that the environmental protection agency objects to  
30 a proposed permit pursuant to section 505(b) of the federal clean air  
31 act, the permitting authority shall not issue the permit, unless the  
32 permittee consents to the changes required by the environmental  
33 protection agency.

34 (8) The procedures contained in chapter 43.21B RCW shall apply to  
35 permit appeals. The pollution control hearings board may stay the  
36 effectiveness of any permit issued under this section during the  
37 pendency of an appeal filed by the permittee, if the permittee  
38 demonstrates that compliance with the permit during the pendency of the

1 appeal would require significant expenditures that would not be  
2 necessary in the event that the permittee prevailed on the merits of  
3 the appeal.

4 (9) After the effective date of any permit program promulgated  
5 under this section, it shall be unlawful for any person to: (a)  
6 Operate a permitted source in violation of any requirement of a permit  
7 issued under this section; or (b) fail to submit a permit application  
8 at the time required by rules adopted under subsection (2) of this  
9 section.

10 (10) Each air operating permit shall state the origin of and  
11 specific legal authority for each requirement included therein. Every  
12 requirement in an operating permit shall be based upon the most  
13 stringent of the following requirements:

14 (a) The federal clean air act and rules implementing that act,  
15 including provision of the approved state implementation plan;

16 (b) This chapter and rules adopted thereunder;

17 (c) In permits issued by a local air pollution control authority,  
18 the requirements of any order or regulation adopted by that authority;

19 (d) Chapter 70.98 RCW and rules adopted thereunder; and

20 (e) Chapter 80.50 RCW and rules adopted thereunder.

21 (11) Consistent with the provisions of the federal clean air act,  
22 the permitting authority may issue general permits covering categories  
23 of permitted sources, and temporary permits authorizing emissions from  
24 similar operations at multiple temporary locations.

25 (12) Permit program sources within the territorial jurisdiction of  
26 an authority delegated the operating permit program shall file their  
27 permit applications with that authority, except that permit  
28 applications for sources regulated on a statewide basis pursuant to RCW  
29 70.94.395 shall be filed with the department. Permit program sources  
30 outside the territorial jurisdiction of a delegated authority shall  
31 file their applications with the department. Permit program sources  
32 subject to chapter 80.50 RCW shall, irrespective of their location,  
33 file their applications with the energy facility site evaluation  
34 council.

35 (13) When issuing operating permits to coal fired electric  
36 generating plants, the permitting authority shall establish  
37 requirements consistent with Title IV of the federal clean air act.

1 (14)(a) The department and the local air authorities are authorized  
2 to assess and to collect, and each source emitting one hundred tons or  
3 more per year of a regulated pollutant shall pay an interim assessment  
4 to fund the development of the operating permit program during fiscal  
5 year 1994.

6 (b) The department shall conduct a workload analysis and prepare an  
7 operating permit program development budget for fiscal year 1994. The  
8 department shall allocate among all sources emitting one hundred tons  
9 or more per year of a regulated pollutant during calendar year 1992 the  
10 costs identified in its program development budget according to a  
11 three-tiered model, with each of the three tiers being equally  
12 weighted, based upon:

13 (i) The number of sources;

14 (ii) The complexity of sources; and

15 (iii) The size of sources, as measured by the quantity of each  
16 regulated pollutant emitted by the source.

17 (c) Each local authority and the department shall collect from  
18 sources under their respective jurisdictions the interim fee determined  
19 by the department and shall remit the fee to the department.

20 (d) Each local authority may, in addition, allocate its fiscal year  
21 1994 operating permit program development costs among the sources under  
22 its jurisdiction emitting one hundred tons or more per year of a  
23 regulated pollutant during calendar year 1992 and may collect an  
24 interim fee from these sources. A fee assessed pursuant to this  
25 subsection (14)(d) shall be collected at the same time as the fee  
26 assessed pursuant to (c) of this subsection.

27 (e) The fees assessed to a source under this subsection shall be  
28 limited to the first seven thousand five hundred tons for each  
29 regulated pollutant per year.

30 (15)(a) The department shall determine the persons liable for the  
31 fee imposed by subsection (14) of this section, compute the fee, and  
32 provide by November 1 ((of)) 1993, the identity of the fee payer with  
33 the computation of the fee to each local authority and to the  
34 department of revenue for collection. The department of revenue shall  
35 collect the fee computed by the department from the fee payers under  
36 the jurisdiction of the department. The administrative, collection,  
37 and penalty provisions of chapter 82.32 RCW shall apply to the  
38 collection of the fee by the department of revenue. The department

1 shall provide technical assistance to the department of revenue for  
2 decisions made by the department of revenue pursuant to RCW 82.32.160  
3 and 82.32.170. All interim fees collected by the department of revenue  
4 on behalf of the department and all interim fees collected by local  
5 authorities on behalf of the department shall be deposited in the air  
6 operating permit account. The interim fees collected by the local air  
7 authorities to cover their permit program development costs under  
8 subsection (14)(d) of this section shall be deposited in the dedicated  
9 accounts of their respective treasuries.

10 (b) All fees identified in this section shall be due and payable on  
11 March 1 ((of)), 1994, except that the local air pollution control  
12 authorities may adopt by rule an earlier date on which fees are to be  
13 due and payable. The section 5, chapter 252, Laws of 1993 amendments  
14 to RCW 70.94.161 do not have the effect of terminating, or in any way  
15 modifying, any liability, civil or criminal, incurred pursuant to the  
16 provisions of RCW 70.94.161 (15) and (17) as they existed prior to July  
17 25, 1993.

18 (16) For sources or source categories not required to obtain  
19 permits under subsection (4) of this section, the department or local  
20 authority may establish by rule control technology requirements. If  
21 control technology rule revisions are made by the department or local  
22 authority under this subsection, the department or local authority  
23 shall consider the remaining useful life of control equipment  
24 previously installed on existing sources before requiring technology  
25 changes. The department or any local air authority may issue a general  
26 permit, as authorized under the federal clean air act, for such  
27 sources.

28 (17) Except in the case of greenhouse gas emissions as defined in  
29 section 2 of this act, RCW 70.94.151 shall not apply to any permit  
30 program source after the effective date of United States environmental  
31 protection agency approval of the state operating permit program.

32 NEW SECTION. **Sec. 6.** Within eighteen months of the next and each  
33 successive global or national assessment of climate change science, the  
34 department shall consult with the climate impacts group at the  
35 University of Washington regarding the science on human-caused climate  
36 change and provide a report to the legislature summarizing that science

1 and make recommendations regarding whether the greenhouse gas emissions  
2 reductions required under section 3 of this act need to be updated.

3 NEW SECTION. **Sec. 7.** A new section is added to chapter 47.01 RCW  
4 to read as follows:

5 (1) To support the implementation of RCW 47.04.280 and  
6 47.01.078(4), the department shall adopt broad statewide goals to  
7 reduce annual per capita vehicle miles traveled by 2050 consistent with  
8 the stated goals of executive order 07-02. Consistent with these  
9 goals, the department shall:

10 (a) Work with the climate advisory team and develop recommendations  
11 to:

12 (i) Decrease the annual per capita vehicle miles traveled by  
13 eighteen percent by 2020;

14 (ii) Decrease the annual per capita vehicle miles traveled by  
15 thirty percent by 2035; and

16 (iii) Decrease the annual per capita vehicle miles traveled by  
17 fifty percent by 2050; and

18 (b) Include in those recommendations a set of tools and best  
19 practices to assist state, regional, and local entities in making  
20 progress towards the recommendations established in this subsection.

21 (3) The climate advisory team process must:

22 (a) Provide for participation from regional transportation planning  
23 organizations, the Washington state transit association, the Puget  
24 Sound clean air agency, and at least one major private employer that  
25 participates in the commute trip reduction program;

26 (b) Identify current strategies to reduce vehicle miles traveled in  
27 the state as well as successful strategies in other jurisdictions that  
28 may be applicable in the state; and

29 (c) Identify potential new revenue options for local and regional  
30 governments to authorize to finance vehicle miles traveled reduction  
31 efforts.

32 (4) The definitions in section 2 of this act apply throughout this  
33 section unless the context clearly requires otherwise.

34 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.330 RCW  
35 to read as follows:

36 (1) The legislature establishes the clean energy jobs growth



1 initiative in support of a clean energy sector jobs goal of, by 2020,  
2 increasing the number of clean energy sector jobs to twenty-five  
3 thousand from the eight thousand four hundred jobs the state had in  
4 2004. The department, in consultation with the University of  
5 Washington business and economic development center, shall: Analyze  
6 the current opportunities for and participation in the clean energy  
7 economy by minority and women-owned business enterprises in Washington;  
8 identify existing barriers to their successful participation in the  
9 clean energy economy; and develop strategies with specific policy  
10 recommendations to improve their successful participation in the clean  
11 energy economy. The research may be informed by the research of the  
12 Puget Sound regional council prosperity partnership, as well as other  
13 entities. The department shall report to the appropriate committees of  
14 the house of representatives and the senate on their research,  
15 analysis, and recommendations by December 1, 2008.

16 (2) The legislature directs the employment security department, in  
17 consultation with the department, the state workforce training and  
18 education coordinating board, and the Washington State University  
19 extension energy program to conduct a survey of employers to estimate  
20 the number of clean energy firms in existing Washington state  
21 industries. The survey must also provide wage and employment estimates  
22 for clean energy sectors. After completing the survey, the employment  
23 security department must analyze the current labor market and projected  
24 job growth in clean energy sectors, the wage and benefits ranges of  
25 jobs within clean energy sectors, and the education and training  
26 requirements of entry-level and incumbent workers within those sectors.  
27 Based on this research, the department, in consultation with the  
28 employment security department, and taking into account the  
29 requirements and goals of chapters 80.80 and 19.285 RCW and other state  
30 clean energy and energy efficiency policies, shall propose which  
31 industries will be considered high-demand green industries, based on  
32 current and projected job creation and their strategic importance to  
33 the development of the state's clean energy economy, and which jobs  
34 within those industries will be considered high-wage occupations and  
35 occupations that are part of career pathways to the same, based on  
36 family-sustaining wage and benefits ranges. These designations, and  
37 the results of the employment security department's broader labor  
38 market research, shall inform the planning and strategic direction of

1 the selected industry skill panels under subsection (3) of this  
2 section, where timely and relevant, and the selection by the state  
3 board for community and technical colleges of recipients of green  
4 collar job training account grants under subsection (4) of this  
5 section.

6 (3) The state workforce training and education coordinating board  
7 shall create and pilot green energy industry skill panels and  
8 distribute grants to the panels on a competitive basis. The green  
9 energy industry skill panels consist of business representatives from  
10 industry sectors related to clean energy, labor unions representing  
11 workers in those industries or labor affiliates administering  
12 state-approved, joint apprenticeship programs or labor-management  
13 partnership programs that train workers for these industries, employer  
14 associations, educational institutions, and local workforce investment  
15 boards within the region that the panels propose to operate, and other  
16 key stakeholders as determined by the applicant. Any of these  
17 stakeholder organizations are eligible to receive a grant and serve as  
18 the intermediary that convenes and leads the panel. Panel applicants  
19 must provide labor market and industry analysis that demonstrates high  
20 demand, or demand of strategic importance to the development of the  
21 state's clean energy economy as identified in subsection (2) of this  
22 section, for high-wage occupations, or occupations that are part of  
23 career pathways to the same, within the relevant industry sector. The  
24 panel shall:

25 (a) Conduct labor market and industry analyses, in consultation  
26 with the employment security department, and drawing on the findings of  
27 its research when available;

28 (b) Plan strategies to meet the recruitment and training needs of  
29 the industry; and

30 (c) Leverage and align other public and private funding sources.

31 (4)(a) The green collar job training account is created in the  
32 state treasury. All receipts from appropriations directed to the  
33 account must be deposited in the account. Expenditures from the  
34 account may be used only for the purpose of training workers for  
35 high-wage occupations or occupations that are part of career pathways  
36 to the same in high-demand industries related to clean energy. The  
37 state board for community and technical colleges, in consultation with  
38 the state workforce training and education coordinating board, and

1 informed by the labor market research of the employment security  
2 department and the green energy industry skill panels, may authorize  
3 expenditures from the account. The state board for community and  
4 technical colleges will distribute grants from the account on a  
5 competitive basis. Applicants eligible to receive these grants may be  
6 any organization or a partnership of organizations that has  
7 demonstrated expertise in:

8 (i) Implementing effective education and training programs that  
9 meet industry demand; and

10 (ii) Recruiting and supporting, to successful completion of those  
11 training programs carried out under these grants, the target  
12 populations of workers under (c) of this subsection.

13 (b) In awarding grants from the green collar job training account,  
14 the state board for community and technical colleges shall give  
15 priority to applicants that demonstrate the ability to:

16 (i) Use labor market and industry analysis developed by the  
17 employment security department and green energy industry skill panels  
18 under subsection (3) of this section in the design and delivery of the  
19 relevant education and training program, and otherwise utilize  
20 strategies developed by green energy industry skill panels;

21 (ii) Leverage and align existing public programs and resources and  
22 private resources, toward the goal of recruiting, supporting,  
23 educating, and training target populations of workers under (c) of this  
24 subsection;

25 (iii) Work collaboratively with other relevant stakeholders in the  
26 regional economy;

27 (iv) Link adult basic and remedial education, where necessary, with  
28 occupation skills training;

29 (v) Involve employers and, where applicable, labor unions in the  
30 determination of relevant skills and competencies and, where relevant,  
31 the validation of career pathways; and

32 (vi) Ensure that supportive services, where necessary, are  
33 integrated with education and training, and delivered by organizations  
34 with direct access to and experience with targeted population of  
35 workers identified under (c) of this subsection.

36 (c) Target populations of workers include:

37 (i) Low-income adults and youth in families under two hundred

1 percent of the federal poverty guidelines or a locally defined  
2 self-sufficiency standard;

3 (ii) Entry-level or incumbent workers in high-demand green  
4 industries who are in, or are preparing for, high-wage occupations;

5 (iii) Dislocated workers in declining industries who may be  
6 retrained for high-wage occupations in high-demand green industries;

7 (iv) Adults and youth eligible to participate in the opportunity  
8 grant program pursuant to RCW 28B.50.271; or

9 (v) Eligible veteran or national guard member.

10 (d) Allowable uses of these grant funds, which should be used when  
11 other public or private funds are insufficient or unavailable, may  
12 include:

13 (i) Tuition assistance and the purchase of either books or  
14 work-related supplies and tools, or both;

15 (ii) Curriculum development;

16 (iii) Outreach, recruitment, career guidance, counseling, and case  
17 management services;

18 (iv) Occupational skills training, on-the-job training, customized  
19 training, and classroom training;

20 (v) Basic skills, literacy, general education development  
21 certificate, English as a second language, and preapprenticeship  
22 training;

23 (vi) Transitional jobs strategies; and

24 (vii) Support services, including income support, child care,  
25 transportation, and related services.

26 (e) Training and education programs identified within high-demand  
27 green industries or high-wage occupations and occupations that are part  
28 of career pathways within high-demand green industries are eligible to  
29 participate in the opportunity grant program under RCW 28B.50.271.

30 (5) Beginning in 2010, the state workforce training and education  
31 coordinating board shall conduct an evaluation of the job training  
32 program established in subsection (4) of this section. The evaluation  
33 shall include, but not be limited to, measures of employment, earnings,  
34 and skill attainment for participants in the program. The workforce  
35 training and education coordinating board shall report the findings of  
36 the evaluation to the governor and the relevant policy committees of  
37 the legislature by December 1, 2012.

1        NEW SECTION.    **Sec. 9.** Except where explicitly stated otherwise,  
2 nothing in this act alters or limits any authorities of the department  
3 as they existed prior to of the effective date of this section.

4        NEW SECTION.    **Sec. 10.** If any provision of this act or its  
5 application to any person or circumstance is held invalid, the  
6 remainder of the act or the application of the provision to other  
7 persons or circumstances is not affected.

8        NEW SECTION.    **Sec. 11.** RCW 80.80.020 (Greenhouse gases emissions  
9 reduction--Clean energy economy--Goals--Reports) and 2007 c 307 s 3 are  
10 each repealed.

11       NEW SECTION.    **Sec. 12.** Sections 1 through 3, 6, 9, and 10 of this  
12 act constitute a new chapter in Title 70 RCW.

13       NEW SECTION.    **Sec. 13.** If specific funding for the purposes of  
14 this act, referencing this act by bill or chapter number, is not  
15 provided by June 30, 2008, in the omnibus appropriations act, this act  
16 is null and void.

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