

CERTIFICATION OF ENROLLMENT
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2815

60th Legislature
2008 Regular Session

Passed by the House February 19, 2008
Yeas 64 Nays 31

Speaker of the House of Representatives

Passed by the Senate March 5, 2008
Yeas 29 Nays 19

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2815** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2815

Passed Legislature - 2008 Regular Session

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,
3 70.94.161, and 28B.50.273; adding a new section to chapter 47.01 RCW;
4 adding a new section to chapter 43.330 RCW; adding a new chapter to
5 Title 70 RCW; 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 emissions of greenhouse
15 gases, it has established goals to grow the clean energy sector and
16 reduce the state's 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, assessing other
3 market strategies to reduce emissions of greenhouse gases, and ensuring
4 the state has a well trained workforce for our clean energy future.

5 (3) It is the intent of the legislature that the state will: (a)
6 Limit and reduce emissions of greenhouse gas 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 cost to Washington's economy,
10 consumers, and businesses.

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

19 (5) It is also the intent of the legislature that the regional
20 multisector market-based system recognize Washington's unique emissions
21 portfolio, including the state's hydroelectric system, the
22 opportunities presented by Washington's abundant forest resources and
23 agriculture land, and the state's leadership in energy efficiency and
24 the actions it has already taken that have reduced its generation of
25 greenhouse gas emissions and that entities receive appropriate credit
26 for early actions to reduce greenhouse gases.

27 (6) If any revenues that accrue to the state are created by a
28 market system, they must be used to further the state's efforts to
29 achieve the goals established in section 3 of this act, address the
30 impacts of global warming on affected habitats, species, and
31 communities, and increase investment in the clean energy economy
32 particularly for communities and workers that have suffered from heavy
33 job losses and chronic unemployment and underemployment.

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

36 (1) "Carbon dioxide equivalents" means a metric measure used to

1 compare the emissions from various greenhouse gases based upon their
2 global warming potential.

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

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

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

8 (5) "Direct emissions" means emissions of greenhouse gases from
9 sources of emissions, including stationary combustion sources, mobile
10 combustion emissions, process emissions, and fugitive emissions.

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

12 (7) "Greenhouse gas" and "greenhouse gases" includes carbon
13 dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons,
14 and sulfur hexafluoride.

15 (8) "Indirect emissions" means emissions of greenhouse gases
16 associated with the purchase of electricity, heating, cooling, or
17 steam.

18 (9) "Person" means an individual, partnership, franchise holder,
19 association, corporation, a state, a city, a county, or any subdivision
20 or instrumentality of the state.

21 (10) "Program" means the department's climate change program.

22 (11) "Total emissions of greenhouse gases" means all direct
23 emissions and all indirect emissions.

24 (12) "Western climate initiative" means the collaboration of
25 states, Canadian provinces, Mexican states, and tribes to design a
26 multisector market-based mechanism as directed under the western
27 regional climate action initiative signed by the governor on February
28 22, 2007.

29 NEW SECTION. **Sec. 3.** (1)(a) The state shall limit emissions of
30 greenhouse gases to achieve the following emission reductions for
31 Washington state:

32 (i) By 2020, reduce overall emissions of greenhouse gases in the
33 state to 1990 levels;

34 (ii) By 2035, reduce overall emissions of greenhouse gases in the
35 state to twenty-five percent below 1990 levels;

36 (iii) By 2050, the state will do its part to reach global climate

1 stabilization levels by reducing overall emissions to fifty percent
2 below 1990 levels, or seventy percent below the state's expected
3 emissions that year.

4 (b) By December 1, 2008, the department shall submit a greenhouse
5 gas reduction plan for review and approval to the legislature,
6 describing those actions necessary to achieve the emission reductions
7 in (a) of this subsection by using existing statutory authority and any
8 additional authority granted by the legislature. Actions taken using
9 existing statutory authority may proceed prior to approval of the
10 greenhouse gas reduction plan.

11 (c) Except where explicitly stated otherwise, nothing in this act
12 limits any state agency authorities as they existed prior to the
13 effective date of this section.

14 (d) Consistent with this directive, the department shall take the
15 following actions:

16 (i) Develop and implement a system for monitoring and reporting
17 emissions of greenhouse gases as required under RCW 70.94.151; and

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

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

31 (3) Except for purposes of reporting, emissions of carbon dioxide
32 from industrial combustion of biomass in the form of fuel wood, wood
33 waste, wood byproducts, and wood residuals shall not be considered a
34 greenhouse gas as long as the region's silvicultural sequestration
35 capacity is maintained or increased.

36 NEW SECTION. **Sec. 4.** (1)(a) The director shall develop, in
37 coordination with the western climate initiative, a design for a

1 regional multisector market-based system to limit and reduce emissions
2 of greenhouse gas consistent with the emission reductions established
3 in section 3(1) of this act.

4 (b) By December 1, 2008, the director and the director of the
5 department of community, trade, and economic development shall deliver
6 to the legislature specific recommendations for approval and request
7 for authority to implement the preferred design of a regional
8 multisector market-based system in (a) of this subsection. These
9 recommendations must include:

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

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

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

16 (2) In developing the design for the regional multisector market-
17 based system under subsection (1) of this section, the department shall
18 consult with the affected state agencies, and provide opportunity for
19 public review and comment.

20 (3) In addition to the information required under subsection (1)(b)
21 of this section, the director and the director of the department of
22 community, trade, and economic development shall submit the following
23 to the legislature by December 1, 2008:

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

26 (b) The final recommendations of the climate advisory team,
27 including recommended most promising actions to reduce emissions of
28 greenhouse gases or otherwise respond to climate change. These
29 recommendations must include strategies to reduce the quantity of
30 emissions of greenhouse gases per distance traveled in the
31 transportation sector;

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

36 (d) Recommendations on how projects funded by the green energy
37 incentive account in RCW 43.325.040 may be used to expand the

1 electrical transmission infrastructure into urban and rural areas of
2 the state for purposes of allowing the recharging of plug-in hybrid
3 electric vehicles;

4 (e) Recommendations on how local governments could participate in
5 the multisector market-based system designed under subsection (1) of
6 this section;

7 (f) Recommendations regarding the circumstances under which
8 generation of electricity or alternative fuel from landfill gas and gas
9 from anaerobic digesters may receive an offset or credit in the
10 regional multisector market-based system or other strategies developed
11 by the department; and

12 (g) Recommendations developed in consultation with the department
13 of natural resources and the department of agriculture with the climate
14 advisory team, the college of forest resources at the University of
15 Washington, and the Washington State University, and a nonprofit
16 consortium involved in research on renewable industrial materials,
17 regarding how forestry and agricultural lands and practices may
18 participate voluntarily as an offset or other credit program in the
19 regional multisector market-based system. The recommendations must
20 ensure that the baseline for this offset or credit program does not
21 disadvantage this state in relation to another state or states. These
22 recommendations shall address:

23 (i) Commercial and other working forests, including accounting for
24 site-class specific forest management practices;

25 (ii) Agricultural and forest products, including accounting for
26 substitution of wood for fossil intensive substitutes;

27 (iii) Agricultural land and practices;

28 (iv) Forest and agricultural lands set aside or managed for
29 conservation as of, or after, the effective date of this section; and

30 (v) Reforestation and afforestation projects.

31 **Sec. 5.** RCW 70.94.151 and 2005 c 138 s 1 are each amended to read
32 as follows:

33 (1) The board of any activated authority or the department, may
34 classify air contaminant sources, by ordinance, resolution, rule or
35 regulation, which in its judgment may cause or contribute to air
36 pollution, according to levels and types of emissions and other
37 characteristics which cause or contribute to air pollution, and may

1 require registration or reporting or both for any such class or
2 classes. Classifications made pursuant to this section may be for
3 application to the area of jurisdiction of such authority, or the state
4 as a whole or to any designated area within the jurisdiction, and shall
5 be made with special reference to effects on health, economic and
6 social factors, and physical effects on property.

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

1 other board or the department, except that emissions of greenhouse
2 gases as defined in section 2 of this act must be reported as required
3 under subsection (5) of this section.

4 All registration program and reporting fees collected by the
5 department shall be deposited in the air pollution control account.
6 All registration program fees collected by the local air authorities
7 shall be deposited in their respective treasuries.

8 (3) If a registration or report has been filed for a grain
9 warehouse or grain elevator as required under this section,
10 registration, reporting, or a registration program fee shall not, after
11 January 1, 1997, again be required under this section for the warehouse
12 or elevator unless the capacity of the warehouse or elevator as listed
13 as part of the license issued for the facility has been increased since
14 the date the registration or reporting was last made. If the capacity
15 of the warehouse or elevator listed as part of the license is
16 increased, any registration or reporting required for the warehouse or
17 elevator under this section must be made by the date the warehouse or
18 elevator receives grain from the first harvest season that occurs after
19 the increase in its capacity is listed in the license.

20 This subsection does not apply to a grain warehouse or grain
21 elevator if the warehouse or elevator handles more than ten million
22 bushels of grain annually.

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

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

29 (b) A "license" is a license issued by the department of
30 agriculture licensing a facility as a grain warehouse or grain elevator
31 under chapter 22.09 RCW or a license issued by the federal government
32 licensing a facility as a grain warehouse or grain elevator for
33 purposes similar to those of licensure for the facility under chapter
34 22.09 RCW; and

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

36 (5)(a) The department shall adopt rules requiring the reporting of
37 emissions of greenhouse gases as defined in section 2 of this act. The
38 rules must include a de minimis amount of emissions below which

1 reporting will not be required for both indirect and direct emissions.
2 The rules must require that emissions of greenhouse gases resulting
3 from the burning of fossil fuels be reported separately from emissions
4 of greenhouse gases resulting from the burning of biomass. Except as
5 provided in (b) of this subsection, the department shall, under the
6 authority granted in subsection (1) of this section, adopt rules
7 requiring any owner or operator: (i) Of a fleet of on-road motor
8 vehicles that as a fleet emit at least twenty-five hundred metric tons
9 of greenhouse gas annually in the state to report the emissions of
10 greenhouse gases generated from or emitted by that fleet; or (ii) of a
11 source or combination of sources that emit at least ten thousand metric
12 tons of greenhouse gas annually in the state to report their total
13 annual emissions of greenhouse gases. In calculating emissions of
14 greenhouse gases for purposes of determining whether or not reporting
15 is required, only direct emissions shall be included. For purposes of
16 reporting emissions of greenhouse gases in this act, "source" means any
17 stationary source as defined in RCW 70.94.030, or mobile source used
18 for transportation of people or cargo. The emissions of greenhouse
19 gases must be reported as carbon dioxide equivalents. The rules must
20 require that persons report 2009 emissions starting in 2010. The rules
21 must establish an annual reporting schedule that takes into account the
22 time needed to allow the owner or operator reporting emissions of
23 greenhouse gases to gather the information needed and to verify the
24 emissions being reported. However, in no event may reports be
25 submitted later than October 31st of the year in which the report is
26 due. The department may phase in the reporting requirements for
27 sources or combinations of sources under (a)(ii) of this subsection
28 until the reporting threshold is met, which must be met by January 1,
29 2012. The department may from time to time amend the rules to include
30 other persons that emit less than the annual greenhouse gas emissions
31 levels set out in this subsection if necessary to comply with any
32 federal reporting requirements for emissions of greenhouse gases.

33 (b) In its rules, the department may defer the reporting
34 requirement under (a) of this subsection for emissions associated with
35 interstate and international commercial aircraft, rail, truck, or
36 marine vessels until (i) there is a federal requirement to report these
37 emissions; or (ii) the department finds that there is a generally

1 accepted reporting protocol for determining interstate emissions from
2 these sources.

3 (c) The department shall share any reporting information reported
4 to it with the local air authority in which the owner or operator
5 reporting under the rules adopted by the department operates.

6 (d) The fee provisions in subsection (2) of this section apply to
7 reporting of emissions of greenhouse gases. Owners and operators
8 required to report under (a) of this subsection who fail to report or
9 pay the fee required in subsection (2) of this section are subject to
10 enforcement penalties under this chapter. The department shall enforce
11 the reporting rule requirements unless it approves a local air
12 authority's request to enforce the requirements for sources operating
13 within the authority's jurisdiction.

14 (e) The energy facility site evaluation council shall,
15 simultaneously with the department, adopt rules that impose greenhouse
16 gas reporting requirements in site certifications on owners or
17 operators of a facility permitted by the energy facility site
18 evaluation council. The greenhouse gas reporting requirements imposed
19 by the energy facility site evaluation council must be the same as the
20 greenhouse gas reporting requirements imposed by the department. The
21 department shall share any information reported to it from facilities
22 permitted by the energy facility site evaluation council with the
23 council, including notice of a facility that has failed to report as
24 required. The energy facility site evaluation council shall contract
25 with the department to monitor the reporting requirements adopted under
26 this section.

27 (f) In developing its rules, the department shall, with the
28 assistance of the department of transportation, identify a mechanism to
29 report an aggregate estimate of the annual emissions of greenhouse
30 gases generated from or emitted by otherwise unreported on-road motor
31 vehicles.

32 (g) The inclusion or failure to include any person, source, classes
33 of persons or sources, or types of emissions of greenhouse gases into
34 the department's rules for reporting under this section does not
35 indicate whether such a person, source, or category is appropriate for
36 inclusion in the multisector market-based system designed under section
37 3 of this act.

1 (h) Should the federal government adopt rules sufficient to track
2 progress toward the emissions reductions required by this act governing
3 the reporting of greenhouse gases, the department shall amend its
4 rules, as necessary, to seek consistency with the federal rules to
5 ensure duplicate reporting is not required. Nothing in this section
6 requires the department to increase the reporting threshold established
7 in (a) of this subsection or otherwise require the department's rules
8 be identical to the federal rules in scope.

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

11 **Sec. 6.** RCW 70.94.161 and 1993 c 252 s 5 are each amended to read
12 as follows:

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

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

23 (2)(a) Rules establishing the elements for a statewide operating
24 permit program and the process for permit application and renewal
25 consistent with federal requirements shall be established by the
26 department by January 1, 1993. The rules shall provide that every
27 proposed permit must be reviewed prior to issuance by a professional
28 engineer or staff under the direct supervision of a professional
29 engineer in the employ of the permitting authority. The permit program
30 established by these rules shall be administered by the department and
31 delegated local air authorities. Rules developed under this subsection
32 shall not preclude a delegated local air authority from including in a
33 permit its own more stringent emission standards and operating
34 restrictions.

35 (b) The board of any local air pollution control authority may
36 apply to the department of ecology for a delegation order authorizing
37 the local authority to administer the operating permit program for

1 sources under that authority's jurisdiction. The department shall, by
2 order, approve such delegation, if the department finds that the local
3 authority has the technical and financial resources, to discharge the
4 responsibilities of a permitting authority under the federal clean air
5 act. A delegation request shall include adequate information about the
6 local authority's resources to enable the department to make the
7 findings required by this subsection(~~(+provided)~~). However, any
8 delegation order issued under this subsection shall take effect ninety
9 days after the environmental protection agency authorizes the local
10 authority to issue operating permits under the federal clean air act.

11 (c) Except for the authority granted the energy facility site
12 evaluation council to issue permits for the new construction,
13 reconstruction, or enlargement or operation of new energy facilities
14 under chapter 80.50 RCW, the department may exercise the authority, as
15 delegated by the environmental protection agency, to administer Title
16 IV of the federal clean air act as amended and to delegate such
17 administration to local authorities as applicable pursuant to (b) of
18 this subsection.

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

22 (4) Operating permits shall apply to all sources (a) where required
23 by the federal clean air act, and (b) for any source that may cause or
24 contribute to air pollution in such quantity as to create a threat to
25 the public health or welfare. Subsection (b) of this subsection is not
26 intended to apply to small businesses except when both of the following
27 limitations are satisfied: (i) The source is in an area exceeding or
28 threatening to exceed federal or state air quality standards; and (ii)
29 the department provides a reasonable justification that requiring a
30 source to have a permit is necessary to meet a federal or state air
31 quality standard, or to prevent exceeding a standard in an area
32 threatening to exceed the standard. For purposes of this subsection
33 "areas threatening to exceed air quality standards" shall mean areas
34 projected by the department to exceed such standards within five years.
35 Prior to identifying threatened areas the department shall hold a
36 public hearing or hearings within the proposed areas.

37 (5) Sources operated by government agencies are not exempt under
38 this section.

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

9 (7) All draft permits shall be subject to public notice and
10 comment. The rules adopted pursuant to subsection (2) of this section
11 shall specify procedures for public notice and comment. Such
12 procedures shall provide the permitting agency with an opportunity to
13 respond to comments received from interested parties prior to the time
14 that the proposed permit is submitted to the environmental protection
15 agency for review pursuant to section 505(a) of the federal clean air
16 act. In the event that the environmental protection agency objects to
17 a proposed permit pursuant to section 505(b) of the federal clean air
18 act, the permitting authority shall not issue the permit, unless the
19 permittee consents to the changes required by the environmental
20 protection agency.

21 (8) The procedures contained in chapter 43.21B RCW shall apply to
22 permit appeals. The pollution control hearings board may stay the
23 effectiveness of any permit issued under this section during the
24 pendency of an appeal filed by the permittee, if the permittee
25 demonstrates that compliance with the permit during the pendency of the
26 appeal would require significant expenditures that would not be
27 necessary in the event that the permittee prevailed on the merits of
28 the appeal.

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

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

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

3 (b) This chapter and rules adopted thereunder;

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

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

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

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

12 (12) Permit program sources within the territorial jurisdiction of
13 an authority delegated the operating permit program shall file their
14 permit applications with that authority, except that permit
15 applications for sources regulated on a statewide basis pursuant to RCW
16 70.94.395 shall be filed with the department. Permit program sources
17 outside the territorial jurisdiction of a delegated authority shall
18 file their applications with the department. Permit program sources
19 subject to chapter 80.50 RCW shall, irrespective of their location,
20 file their applications with the energy facility site evaluation
21 council.

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

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

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

37 (i) The number of sources;

38 (ii) The complexity of sources; and

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

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

6 (d) Each local authority may, in addition, allocate its fiscal year
7 1994 operating permit program development costs among the sources under
8 its jurisdiction emitting one hundred tons or more per year of a
9 regulated pollutant during calendar year 1992 and may collect an
10 interim fee from these sources. A fee assessed pursuant to this
11 subsection (14)(d) shall be collected at the same time as the fee
12 assessed pursuant to (c) of this subsection.

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

16 (15)(a) The department shall determine the persons liable for the
17 fee imposed by subsection (14) of this section, compute the fee, and
18 provide by November 1 ((~~of~~)) 1993, the identity of the fee payer with
19 the computation of the fee to each local authority and to the
20 department of revenue for collection. The department of revenue shall
21 collect the fee computed by the department from the fee payers under
22 the jurisdiction of the department. The administrative, collection,
23 and penalty provisions of chapter 82.32 RCW shall apply to the
24 collection of the fee by the department of revenue. The department
25 shall provide technical assistance to the department of revenue for
26 decisions made by the department of revenue pursuant to RCW 82.32.160
27 and 82.32.170. All interim fees collected by the department of revenue
28 on behalf of the department and all interim fees collected by local
29 authorities on behalf of the department shall be deposited in the air
30 operating permit account. The interim fees collected by the local air
31 authorities to cover their permit program development costs under
32 subsection (14)(d) of this section shall be deposited in the dedicated
33 accounts of their respective treasuries.

34 (b) All fees identified in this section shall be due and payable on
35 March 1 ((~~of~~)) 1994, except that the local air pollution control
36 authorities may adopt by rule an earlier date on which fees are to be
37 due and payable. The section 5, chapter 252, Laws of 1993 amendments
38 to RCW 70.94.161 do not have the effect of terminating, or in any way

1 modifying, any liability, civil or criminal, incurred pursuant to the
2 provisions of RCW 70.94.161 (15) and (17) as they existed prior to July
3 25, 1993.

4 (16) For sources or source categories not required to obtain
5 permits under subsection (4) of this section, the department or local
6 authority may establish by rule control technology requirements. If
7 control technology rule revisions are made by the department or local
8 authority under this subsection, the department or local authority
9 shall consider the remaining useful life of control equipment
10 previously installed on existing sources before requiring technology
11 changes. The department or any local air authority may issue a general
12 permit, as authorized under the federal clean air act, for such
13 sources.

14 (17) Emissions of greenhouse gases as defined in section 2 of this
15 act must be reported as required by RCW 70.94.151. The reporting
16 provisions of RCW 70.94.151 shall not apply to any other emissions from
17 any permit program source after the effective date of United States
18 environmental protection agency approval of the state operating permit
19 program.

20 NEW SECTION. Sec. 7. Within eighteen months of the next and each
21 successive global or national assessment of climate change science, the
22 department shall consult with the climate impacts group at the
23 University of Washington regarding the science on human-caused climate
24 change and provide a report to the legislature summarizing that science
25 and make recommendations regarding whether the greenhouse gas emissions
26 reductions required under section 3 of this act need to be updated.

27 NEW SECTION. Sec. 8. A new section is added to chapter 47.01 RCW
28 to read as follows:

29 To support the implementation of RCW 47.04.280 and 47.01.078(4),
30 the department shall adopt broad statewide goals to reduce annual per
31 capita vehicle miles traveled by 2050 consistent with the stated goals
32 of executive order 07-02. Consistent with these goals, the department
33 shall:

34 (1) Establish the following benchmarks using a statewide baseline
35 of seventy-five billion vehicle miles traveled less the vehicle miles

1 traveled attributable to vehicles licensed under RCW 46.16.070 and
2 weighing ten thousand pounds or more, which are exempt from this
3 section:

4 (a) Decrease the annual per capita vehicle miles traveled by
5 eighteen percent by 2020;

6 (b) Decrease the annual per capita vehicle miles traveled by thirty
7 percent by 2035; and

8 (c) Decrease the annual per capita vehicle miles traveled by fifty
9 percent by 2050;

10 (2) By July 1, 2008, establish and convene a collaborative process
11 to develop a set of tools and best practices to assist state, regional,
12 and local entities in making progress towards the benchmarks
13 established in subsection (1) of this section. The collaborative
14 process must provide an opportunity for public review and comment and
15 must:

16 (a) Be jointly facilitated by the department, the department of
17 ecology, and the department of community, trade, and economic
18 development;

19 (b) Provide for participation from regional transportation planning
20 organizations, the Washington state transit association, the Puget
21 Sound clean air agency, a statewide business organization representing
22 the sale of motor vehicles, at least one major private employer that
23 participates in the commute trip reduction program, and other
24 interested parties, including but not limited to parties representing
25 diverse perspectives on issues relating to growth, development, and
26 transportation;

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

30 (d) Identify potential new revenue options for local and regional
31 governments to authorize to finance vehicle miles traveled reduction
32 efforts;

33 (e) Provide for the development of measurement tools that can, with
34 a high level of confidence, measure annual progress toward the
35 benchmarks at the local, regional, and state levels, measure the
36 effects of strategies implemented to reduce vehicle miles traveled and
37 adequately distinguish between common travel purposes, such as moving

1 freight or commuting to work, and measure trends of vehicle miles
2 traveled per capita on a five-year basis;

3 (f) Establish a process for the department to periodically evaluate
4 progress toward the vehicle miles traveled benchmarks, measure achieved
5 and projected emissions reductions, and recommend whether the
6 benchmarks should be adjusted to meet the state's overall goals for the
7 reduction of greenhouse gas emissions;

8 (g) Estimate the projected reductions in greenhouse gas emissions
9 if the benchmarks are achieved, taking into account the expected
10 implementation of existing state and federal mandates for vehicle
11 technology and fuels, as well as expected growth in population and
12 vehicle travel;

13 (h) Examine access to public transportation for people living in
14 areas with affordable housing to and from employment centers, and make
15 recommendations for steps necessary to ensure that areas with
16 affordable housing are served by adequate levels of public
17 transportation; and

18 (i) By December 1, 2008, provide a report to the transportation
19 committees of the legislature on the collaborative process and
20 resulting recommended tools and best practices to achieve the reduction
21 in annual per capita vehicle miles traveled goals.

22 (3) Included in the December 1, 2008, report to the transportation
23 committees of the legislature, the department shall identify strategies
24 to reduce vehicle miles traveled in the state as well as successful
25 strategies in other jurisdictions that may be applicable in the state
26 that recognize the differing urban and rural transportation
27 requirements.

28 (4) Prior to implementation of the goals in this section, the
29 department, in consultation with the department of community, trade,
30 and economic development, cities, counties, local economic development
31 organizations, and local and regional chambers of commerce, shall
32 provide a report to the appropriate committees of the legislature on
33 the anticipated impacts of the goals established in this section on the
34 following:

35 (a) The economic hardship on small businesses as it relates to the
36 ability to hire and retain workers who do not reside in the county in
37 which they are employed;

38 (b) Impacts on low-income residents;

- 1 (c) Impacts on agricultural employers and their employees,
2 especially on the migrant farmworker community;
3 (d) Impacts on distressed rural counties; and
4 (e) Impacts in counties with more than fifty percent of the land
5 base of the county in public or tribal lands.

6 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.330 RCW
7 to read as follows:

8 (1) The legislature establishes a comprehensive green economy jobs
9 growth initiative based on the goal of, by 2020, increasing the number
10 of green economy jobs to twenty-five thousand from the eight thousand
11 four hundred green economy jobs the state had in 2004.

12 (2) The department, in consultation with the employment security
13 department, the state workforce training and education coordinating
14 board, the state board of community and technical colleges, and the
15 higher education coordinating board, shall develop a defined list of
16 terms, consistent with current workforce and economic development
17 terms, associated with green economy industries and jobs.

18 (3)(a) The employment security department, in consultation with the
19 department, the state workforce training and education coordinating
20 board, the state board for community and technical colleges, the higher
21 education coordinating board, Washington State University small
22 business development center, and the Washington State University
23 extension energy program, shall conduct labor market research to
24 analyze the current labor market and projected job growth in the green
25 economy, the current and projected recruitment and skill requirement of
26 green economy industry employers, the wage and benefits ranges of jobs
27 within green economy industries, and the education and training
28 requirements of entry-level and incumbent workers in those industries.

29 (b) The University of Washington business and economic development
30 center shall: Analyze the current opportunities for and participation
31 in the green economy by minority and women-owned business enterprises
32 in Washington; identify existing barriers to their successful
33 participation in the green economy; and develop strategies with
34 specific policy recommendations to improve their successful
35 participation in the green economy. The research may be informed by
36 the research of the Puget Sound regional council prosperity
37 partnership, as well as other entities. The University of Washington

1 business and economic development center shall report to the
2 appropriate committees of the house of representatives and the senate
3 on their research, analysis, and recommendations by December 1, 2008.

4 (4) Based on the findings from subsection (3) of this section, the
5 employment security department, in consultation with the department and
6 taking into account the requirements and goals of this act and other
7 state clean energy and energy efficiency policies, shall propose which
8 industries will be considered high-demand green industries, based on
9 current and projected job creation and their strategic importance to
10 the development of the state's green economy. The employment security
11 department and the department shall take into account which jobs within
12 green economy industries will be considered high-wage occupations and
13 occupations that are part of career pathways to the same, based on
14 family-sustaining wage and benefits ranges. These designations, and
15 the results of the employment security department's broader labor
16 market research, shall inform the planning and strategic direction of
17 the department, the state workforce training and education coordinating
18 board, the state board for community and technical colleges, and the
19 higher education coordinating board.

20 (5) The department shall identify emerging technologies and
21 innovations that are likely to contribute to advancements in the green
22 economy, including the activities in designated innovation partnership
23 zones established in RCW 43.330.270.

24 (6) The department, consistent with the priorities established by
25 the state economic development commission, shall:

26 (a) Develop targeting criteria for existing investments, and make
27 recommendations for new or expanded financial incentives and
28 comprehensive strategies, to recruit, retain, and expand green economy
29 industries and small businesses; and

30 (b) Make recommendations for new or expanded financial incentives
31 and comprehensive strategies to stimulate research and development of
32 green technology and innovation, including designating innovation
33 partnership zones linked to the green economy.

34 (7) For the purposes of this section, "target populations" means
35 (a) entry-level or incumbent workers in high-demand green industries
36 who are in, or are preparing for, high-wage occupations; (b) dislocated
37 workers in declining industries who may be retrained for high-wage
38 occupations in high-demand green industries; (c) dislocated

1 agriculture, timber, or energy sector workers who may be retrained for
2 high-wage occupations in high-demand green industries; (d) eligible
3 veterans or national guard members; (e) disadvantaged populations; or
4 (f) anyone eligible to participate in the state opportunity grant
5 program under RCW 28B.50.271.

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

- 24 (a) Conduct labor market and industry analyses, in consultation
25 with the employment security department, and drawing on the findings of
26 its research when available;
- 27 (b) Plan strategies to meet the recruitment and training needs of
28 the industry and small businesses; and
- 29 (c) Leverage and align other public and private funding sources.

30 (9) The green industries jobs training account is created in the
31 state treasury. Moneys from the account must be utilized to supplement
32 the state opportunity grant program established under RCW 28B.50.271.
33 All receipts from appropriations directed to the account must be
34 deposited into the account. Expenditures from the account may be used
35 only for the activities identified in this subsection. The state board
36 for community and technical colleges, in consultation with the state
37 workforce training and education coordinating board, informed by the
38 research of the employment security department and the strategies

1 developed in this section, may authorize expenditures from the account.
2 The state board for community and technical colleges must distribute
3 grants from the account on a competitive basis.

4 (a)(i) Allowable uses of these grant funds, which should be used
5 when other public or private funds are insufficient or unavailable, may
6 include:

7 (A) Curriculum development;

8 (B) Transitional jobs strategies for dislocated workers in
9 declining industries who may be retrained for high-wage occupations in
10 green industries;

11 (C) Workforce education to target populations; and

12 (D) Adult basic and remedial education as necessary linked to
13 occupation skills training.

14 (ii) Allowable uses of these grant funds do not include student
15 assistance and support services available through the state opportunity
16 grant program under RCW 28B.50.271.

17 (b) Applicants eligible to receive these grants may be any
18 organization or a partnership of organizations that has demonstrated
19 expertise in:

20 (i) Implementing effective education and training programs that
21 meet industry demand; and

22 (ii) Recruiting and supporting, to successful completion of those
23 training programs carried out under these grants, the target
24 populations of workers.

25 (c) In awarding grants from the green industries jobs training
26 account, the state board for community and technical colleges shall
27 give priority to applicants that demonstrate the ability to:

28 (i) Use labor market and industry analysis developed by the
29 employment security department and green industry skill panels in the
30 design and delivery of the relevant education and training program, and
31 otherwise utilize strategies developed by green industry skills panels;

32 (ii) Leverage and align existing public programs and resources and
33 private resources toward the goal of recruiting, supporting, educating,
34 and training target populations of workers;

35 (iii) Work collaboratively with other relevant stakeholders in the
36 regional economy;

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

1 (v) Involve employers and, where applicable, labor unions in the
2 determination of relevant skills and competencies and, where relevant,
3 the validation of career pathways; and

4 (vi) Ensure that supportive services, where necessary, are
5 integrated with education and training and are delivered by
6 organizations with direct access to and experience with the targeted
7 population of workers.

8 **Sec. 10.** RCW 28B.50.273 and 2007 c 277 s 201 are each amended to
9 read as follows:

10 The college board, in partnership with business, labor, and the
11 workforce training and education coordinating board, shall:

12 (1) Identify job-specific training programs offered by qualified
13 postsecondary institutions that lead to a credential, certificate, or
14 degree in green industry occupations as established in this act, and
15 other high demand occupations, which are occupations where data show
16 that employer demand for workers exceeds the supply of qualified job
17 applicants throughout the state or in a specific region, and where
18 training capacity is underutilized;

19 (2) Gain recognition of the credentials, certificates, and degrees
20 by Washington's employers and labor organizations. The college board
21 shall designate these recognized credentials, certificates, and degrees
22 as "opportunity grant-eligible programs of study"; and

23 (3) Market the credentials, certificates, and degrees to potential
24 students, businesses, and apprenticeship programs as a way for
25 individuals to advance in their careers and to better meet the needs of
26 industry.

27 NEW SECTION. **Sec. 11.** Except where explicitly stated otherwise,
28 nothing in this act alters or limits any authorities of the department
29 as they existed prior to of the effective date of this section.

30 NEW SECTION. **Sec. 12.** If any provision of this act or its
31 application to any person or circumstance is held invalid, the
32 remainder of the act or the application of the provision to other
33 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 13.** RCW 80.80.020 (Greenhouse gases emissions
2 reduction--Clean energy economy--Goals--Reports) and 2007 c 307 s 3 are
3 each repealed.

4 NEW SECTION. **Sec. 14.** Sections 1 through 4, 7, 11, and 12 of this
5 act constitute a new chapter in Title 70 RCW.

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

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