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## SUBSTITUTE SENATE BILL 5802

By Senate Energy, Environment & Telecommunications (originally sponsored by Senators Ranker, Litzow, Frockt, Cleveland, Billig, Kohl-Welles, Murray, and McAuliffe; by request of Governor Inslee)

63rd Legislature

2013 Regular Session

READ FIRST TIME 02/22/13.

State of Washington

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- AN ACT Relating to developing recommendations to achieve the state's greenhouse gas emissions targets; creating new sections; making
- 3 an appropriation; and declaring an emergency.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. (1) The office of financial management shall contract with an independent and objective consultant or consultants, as selected by the climate legislative and executive work group created in section 2 of this act, to prepare a credible evaluation of approaches to reducing greenhouse gas emissions, as outlined in this section.
  - (2) The evaluation must be provided to the governor by October 15, 2013, for use by the climate legislative and executive work group created in section 2 of this act, and prior to that date the independent and objective consultant or consultants selected under subsection (1) of this section may provide selective analyses, drafts, or portions of the report to the work group.
  - (3) The evaluation must include a review of comprehensive greenhouse gas emission reduction programs being implemented in other states and countries, including a review of reduction strategies being

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implemented in the Pacific Northwest, on the west coast, in neighboring provinces in Canada, and in other regions of the country. For each program, the evaluation must include available information about:

- (a) The effectiveness in achieving the jurisdiction's emission reduction objectives, including the cost per ton of emission reduction;
- (b) The relative impact upon different sectors of the jurisdiction's economy, including power rates, agriculture, manufacturing, and transportation fuel costs;
- 9 (c) The impacts upon household consumption and spending, including 10 fuel, food, and housing costs, and program measures to mitigate impacts 11 to low-income populations;
- 12 (d) Displacement of emission sources from the jurisdiction due to 13 the program;
- 14 (e) Any significant cobenefits to the jurisdiction, such as 15 reduction of potential adverse effects to public health, from 16 implementing the program;
- 17 (f) Opportunities for new manufacturing infrastructure, investments 18 in cleaner energy, and greater energy efficiency and jobs;
  - (g) Achievements in greater independence from fossil fuels and the costs and benefits to their economy of doing so; and
- 21 (h) The most effective strategy and the trade-offs made to 22 implement that strategy.
  - (4) The evaluation must analyze:

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- 24 (a) Washington's emissions and related energy consumption profile, 25 including:
  - (i) Total expenditures for energy by fuel category; and
- 27 (ii) The sources of the fuels, including imports of oil and other 28 fossil fuels;
  - (b) Options for an approach to emissions reduction that would increase expenditures upon energy sources produced in state relative to expenditures upon imported energy sources, and how that increase would affect job growth and economic performance;
  - (c) Opportunities for new manufacturing infrastructure and other job producing investments in Washington relating to cleaner energy and greater energy efficiency;
- (d) Existing studies of the potential costs to Washington consumers and businesses of greenhouse gas emissions reduction programs or strategies being implemented in other jurisdictions;

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- (e) Washington state policies to stabilize or reduce greenhouse gas emissions that will contribute to meeting the greenhouse gas emissions targets, including:
  - (i) Renewable fuels standard;
  - (ii) Energy codes adopted by the state building code council;
- 6 (iii) Emission performance standards;
- 7 (iv) Appliance standards;

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- (v) The energy independence act;
- 9 (vi) Energy efficiency and energy consumption requirement programs 10 for public buildings;
- 11 (vii) Conversion of public vehicles to clean fuels; and
- 12 (viii) Public purchasing requirements of vehicles that use clean 13 fuels; and
- 14 (f) The overall effect on global greenhouse gas levels if 15 Washington meets its greenhouse gas emissions targets.
- 16 (5) The evaluation must also examine and summarize federal policies 17 that will contribute to meeting the state greenhouse emissions targets, 18 including:
- 19 (a) Renewable fuel standards;
- 20 (b) Tax incentives for renewable energy;
- 21 (c) Tailpipe emissions standards for vehicles;
- 22 (d) Corporate average fuel economy standards for cars and light 23 trucks; and
- 24 (e) Clean air act requirements for emissions from stationary 25 sources and fossil-fueled electric generating units.
- NEW SECTION. Sec. 2. (1)(a) The climate legislative and executive work group is created. The work group consists of five members and includes:
- 29 (i) The governor, or the governor's designee, who shall be a 30 nonvoting member;
- 31 (ii) One member and an alternate from each major caucus of the 32 house of representatives, appointed by the speaker of the house of 33 representatives; and
- 34 (iii) One member and an alternate from each major caucus of the 35 senate, appointed by the president of the senate.
- 36 (b) An alternate may serve as a member at a work group meeting only 37 when a member from that caucus is unable to attend the meeting.

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1 (2) The governor or the governor's designee is the chair of the work group.

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- (3) As required under section 1(1) of this act, the work group must select the consultant or consultants to be retained by the office of financial management. The consultant or consultants must demonstrate that they can perform nonpartisan, objective, and independent work. The work group may not select a consultant or consultants whose employer has retained a lobbyist in Washington state during the immediately preceding five years. Nor may the work group select a consultant or consultants whose employer or who has personally contributed to the campaign of a statewide elected official, legislative candidate, or any other political committee in the previous four years. No less than four of the work group's five members must support the retention of a consultant or consultants.
- (4) The purpose of the work group is to recommend a state program of actions and policies to reduce greenhouse gas emissions, that if implemented would ensure achievement of the state's emissions targets in RCW 70.235.020. The recommendations must be prioritized to ensure the greatest amount of environmental benefit for each dollar spent and measures of environmental effectiveness, based on including consideration of current best science, the effectiveness of the program and policies in terms of costs, benefits, and results, and how best to administer the program and policies. The work group recommendations must include a timeline for actions and funding needed to implement the recommendations. In order for a recommendation to be included in the report, it must be supported by a majority of the work group's voting members. Minority reports or comments must be included in the report.
- (5) The members and alternates of the work group must be appointed by July 15, 2013. The work group may meet up to twice per month and must hold its first meeting by August 1, 2013.
- (6) The work group shall use the evaluation required under section 1 of this act to inform the work group regarding experiences in other jurisdictions and may call on the author of the evaluation to respond to questions. All state agencies shall also cooperate with the work group in providing information regarding previous and current climate action reports and analyses.
  - (7) The work group shall schedule one or more meetings or portions

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- of meetings at which the views of the public may be provided to the work group.
- 3 (8) The report of the work group must be provided to the 4 appropriate policy and fiscal committees of the senate and house of 5 representatives by December 31, 2013.
- NEW SECTION. Sec. 3. Nothing in this act may be construed to enhance or diminish any existing authority regarding greenhouse gas emissions.
- 9 <u>NEW SECTION.</u> **Sec. 4.** The sum of two hundred fifty thousand dollars, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2014, from the general fund to the office of the governor for the purposes of this act.
- NEW SECTION. Sec. 5. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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