CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5802

63rd Legislature 2013 Regular Session

Passed by the Senate March 13, 2013 YEAS 37 NAYS 12

President of the Senate

Passed by the House March 25, 2013 YEAS 61 NAYS 32

Speaker of the House of Representatives

Approved

Secretary

FILED

Secretary of State State of Washington

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 5802** as passed by the Senate and the House of Representatives on the dates hereon set forth.

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5802

Passed Legislature - 2013 Regular Session

State of Washington 63rd Legislature 2013 Regular Session

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

READ FIRST TIME 03/01/13.

1 AN ACT Relating to developing recommendations to achieve the 2 state's greenhouse gas emissions targets; creating new sections; and 3 declaring an emergency.

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

5 <u>NEW SECTION.</u> Sec. 1. (1) The office of financial management shall 6 contract with an independent and objective consultant or consultants, 7 as selected by the climate legislative and executive work group created 8 in section 2 of this act, to prepare a credible evaluation of 9 approaches to reducing greenhouse gas emissions, as outlined in this 10 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.

17 (3) The evaluation must include a review of comprehensive 18 greenhouse gas emission reduction programs being implemented in other 19 states and countries, including a review of reduction strategies being

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:

4 (a) The effectiveness in achieving the jurisdiction's emission 5 reduction objectives, including the cost per ton of emission reduction;

(b) The relative impact upon different of б sectors the 7 jurisdiction's economy, including power rates, agriculture, 8 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 to13 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;

(f) Opportunities for new manufacturing infrastructure, investmentsin cleaner energy, and greater energy efficiency and jobs;

(g) Achievements in greater independence from fossil fuels and thecosts 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.

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(4) The evaluation must analyze:

(a) Washington's emissions and related energy consumption profile,including:

26 (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;

33 (c) Opportunities for new manufacturing infrastructure and other 34 job producing investments in Washington relating to cleaner energy and 35 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;

1 (e) Washington state policies to stabilize or reduce greenhouse gas 2 emissions that will contribute to meeting the greenhouse gas emissions 3 targets, including: (i) Renewable fuels standard; 4 5 (ii) Energy codes adopted by the state building code council; (iii) Emission performance standards; б 7 (iv) Appliance standards; (v) The energy independence act; 8 (vi) Energy efficiency and energy consumption requirement programs 9 for public buildings; 10 (vii) Conversion of public vehicles to clean fuels; and 11 12 (viii) Public purchasing requirements of vehicles that use clean 13 fuels; and 14 (f) The overall effect on global greenhouse gas levels if Washington meets its greenhouse gas emissions targets. 15 (5) The evaluation must also examine and summarize federal policies 16 17 that will contribute to meeting the state greenhouse emissions targets, including: 18 (a) Renewable fuel standards; 19 (b) Tax incentives for renewable energy; 20 (c) Tailpipe emissions standards for vehicles; 21 22 (d) Corporate average fuel economy standards for cars and light trucks; and 23 24 (e) Clean air act requirements for emissions from stationary 25 sources and fossil-fueled electric generating units. 26 <u>NEW SECTION.</u> Sec. 2. (1)(a) The climate legislative and executive 27 work group is created. The work group consists of five members and includes: 28 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 house of representatives, appointed by the speaker of the house of 32 33 representatives; and 34 (iii) One member and an alternate from each major caucus of the senate, appointed by the president of the senate. 35 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.

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

(3) As required under section 1(1) of this act, the work group must 3 4 select the consultant or consultants to be retained by the office of financial management. The consultant or consultants must demonstrate 5 that they can perform nonpartisan, objective, and independent work. б 7 The work group may not select a consultant or consultants whose 8 employer has retained a lobbyist in Washington state during the 9 immediately preceding five years. Nor may the work group select a 10 consultant or consultants whose employer or who has personally 11 contributed to the campaign of a statewide elected official, 12 legislative candidate, or any other political committee in the previous 13 four years. No less than four of the work group's five members must support the retention of a consultant or consultants. 14

15 (4) The purpose of the work group is to recommend a state program of actions and policies to reduce greenhouse gas emissions, that if 16 implemented would ensure achievement of the state's emissions targets 17 in RCW 70.235.020. The recommendations must be prioritized to ensure 18 19 the greatest amount of environmental benefit for each dollar spent and 20 measures of environmental effectiveness, based on including 21 consideration of current best science, the effectiveness of the program 22 and policies in terms of costs, benefits, and results, and how best to 23 administer the program and policies. The work group recommendations 24 must include a timeline for actions and funding needed to implement the recommendations. In order for a recommendation to be included in the 25 26 report, it must be supported by a majority of the work group's voting 27 members. Minority reports or comments must be included in the report.

(5) The members and alternates of the work group must be appointed
by May 1, 2013. The work group may meet up to twice per month and must
hold its first meeting by May 15, 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.

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(7) The work group shall schedule one or more meetings or portions

1 of meetings at which the views of the public may be provided to the 2 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.

6 <u>NEW SECTION.</u> Sec. 3. Nothing in this act may be construed to 7 enhance or diminish any existing authority regarding greenhouse gas 8 emissions.

9 <u>NEW SECTION.</u> Sec. 4. This act is necessary for the immediate 10 preservation of the public peace, health, or safety, or support of the 11 state government and its existing public institutions, and takes effect 12 immediately.

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