AN ACT Relating to creating a framework for reducing greenhouse gases emissions in the Washington economy; amending RCW 70.94.151, 70.94.161, and 28B.50.273; adding a new section to chapter 47.01 RCW; adding a new section to chapter 43.330 RCW; adding a new chapter to Title 70 RCW; creating a new section; and repealing RCW 80.80.020.

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

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

(2) The legislature further finds that Washington should continue its leadership on climate change policy by creating accountability for achieving the emission reductions established in section 3 of this act,
participating in the design of a regional multisector market-based
system to help achieve those emission reductions, assessing other
market strategies to reduce emissions of greenhouse gases, and ensuring
the state has a well trained workforce for our clean energy future.

(3) It is the intent of the legislature that the state will: (a) Limit and reduce emissions of greenhouse gas consistent with the
emission reductions established in section 3 of this act; (b) minimize
the potential to export pollution, jobs, and economic opportunities;
and (c) reduce emissions at the lowest cost to Washington's economy,
consumers, and businesses.

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

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

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

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

(1) "Carbon dioxide equivalents" means a metric measure used to
compare the emissions from various greenhouse gases based upon their global warming potential.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NEW SECTION. Sec. 4. (1)(a) The director shall develop, in coordination with the western climate initiative, a design for a
regional multisector market-based system to limit and reduce emissions of greenhouse gas consistent with the emission reductions established in section 3(1) of this act.

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

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

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

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

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

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

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

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

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

(d) Recommendations on how projects funded by the green energy incentive account in RCW 43.325.040 may be used to expand the
electrical transmission infrastructure into urban and rural areas of
the state for purposes of allowing the recharging of plug-in hybrid
electric vehicles;

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

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

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

(i) Commercial and other working forests, including accounting for
site-class specific forest management practices;
(ii) Agricultural and forest products, including accounting for
substitution of wood for fossil intensive substitutes;
(iii) Agricultural land and practices;
(iv) Forest and agricultural lands set aside or managed for
conservation as of, or after, the effective date of this section; and
(v) Reforestation and afforestation projects.

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

(1) The board of any activated authority or the department, may
classify air contaminant sources, by ordinance, resolution, rule or
regulation, which in its judgment may cause or contribute to air
pollution, according to levels and types of emissions and other
characteristics which cause or contribute to air pollution, and may
require registration or reporting or both for any such class or
classes. Classifications made pursuant to this section may be for
application to the area of jurisdiction of such authority, or the state
as a whole or to any designated area within the jurisdiction, and shall
be made with special reference to effects on health, economic and
social factors, and physical effects on property.

(2) Except as provided in subsection (3) of this section, any
person operating or responsible for the operation of air contaminant
sources of any class for which the ordinances, resolutions, rules or
regulations of the department or board of the authority, require
registration ((and)) or reporting shall register therewith and make
reports containing information as may be required by such department or
board concerning location, size and height of contaminant outlets,
processes employed, nature of the contaminant emission and such other
information as is relevant to air pollution and available or reasonably
capable of being assembled. In the case of emissions of greenhouse
gases as defined in section 2 of this act the department shall adopt
rules requiring reporting of those emissions. The department or board
may require that such registration or reporting be accompanied by a
fee, and may determine the amount of such fee for such class or
classes: PROVIDED, That the amount of the fee shall only be to
compensate for the costs of administering such registration or
reporting program which shall be defined as initial registration and
annual or other periodic reports from the source owner providing
information directly related to air pollution registration, on-site
inspections necessary to verify compliance with registration
requirements, data storage and retrieval systems necessary for support
of the registration program, emission inventory reports and emission
reduction credits computed from information provided by sources
pursuant to registration program requirements, staff review, including
engineering or other reliable analysis for accuracy and currentness, of
information provided by sources pursuant to registration program
requirements, clerical and other office support provided in direct
furtherance of the registration program, and administrative support
provided in directly carrying out the registration program: PROVIDED
FURTHER, That any such registration made with either the board or the
department shall preclude a further registration and reporting with any
other board or the department, except that emissions of greenhouse
gases as defined in section 2 of this act must be reported as required
under subsection (5) of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) The inclusion or failure to include any person, source, classes of persons or sources, or types of emissions of greenhouse gases into the department's rules for reporting under this section does not indicate whether such a person, source, or category is appropriate for inclusion in the multisector market-based system designed under section 3 of this act.
(h) Should the federal government adopt rules sufficient to track progress toward the emissions reductions required by this act governing the reporting of greenhouse gases, the department shall amend its rules, as necessary, to seek consistency with the federal rules to ensure duplicate reporting is not required. Nothing in this section requires the department to increase the reporting threshold established in (a) of this subsection or otherwise require the department's rules be identical to the federal rules in scope.

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

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

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

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

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

(b) The board of any local air pollution control authority may apply to the department of ecology for a delegation order authorizing the local authority to administer the operating permit program for
sources under that authority's jurisdiction. The department shall, by
order, approve such delegation, if the department finds that the local
authority has the technical and financial resources, to discharge the
responsibilities of a permitting authority under the federal clean air
act. A delegation request shall include adequate information about the
local authority's resources to enable the department to make the
findings required by this subsection(1). However, any
delegation order issued under this subsection shall take effect ninety
days after the environmental protection agency authorizes the local
authority to issue operating permits under the federal clean air act.

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

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

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

(5) Sources operated by government agencies are not exempt under
this section.
(6) Within one hundred eighty days after the United States environmental protection agency approves the state operating permit program, a person required to have a permit shall submit to the permitting authority a compliance plan and permit application, signed by a responsible official, certifying the accuracy of the information submitted. Until permits are issued, existing sources shall be allowed to operate under presently applicable standards and conditions provided that such sources submit complete and timely permit applications.

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

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

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

(10) Each air operating permit shall state the origin of and specific legal authority for each requirement included therein. Every requirement in an operating permit shall be based upon the most stringent of the following requirements:
(a) The federal clean air act and rules implementing that act, including provision of the approved state implementation plan;

(b) This chapter and rules adopted thereunder;

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

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

(e) Chapter 80.50 RCW and rules adopted thereunder.

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

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

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

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

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

(i) The number of sources;

(ii) The complexity of sources; and
(iii) The size of sources, as measured by the quantity of each regulated pollutant emitted by the source.

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

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

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

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

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

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

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

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

NEW SECTION. Sec. 8. A new section is added to chapter 47.01 RCW
to read as follows:
To support the implementation of RCW 47.04.280 and 47.01.078(4),
the department shall adopt broad statewide goals to reduce annual per
capita vehicle miles traveled by 2050 consistent with the stated goals
of executive order 07-02. Consistent with these goals, the department
shall:

(1) Establish the following benchmarks using a statewide baseline
of seventy-five billion vehicle miles traveled less the vehicle miles
traveled attributable to vehicles licensed under RCW 46.16.070 and weighing ten thousand pounds or more, which are exempt from this section:

(a) Decrease the annual per capita vehicle miles traveled by eighteen percent by 2020;
(b) Decrease the annual per capita vehicle miles traveled by thirty percent by 2035; and
(c) Decrease the annual per capita vehicle miles traveled by fifty percent by 2050;

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

(a) Be jointly facilitated by the department, the department of ecology, and the department of community, trade, and economic development;
(b) Provide for participation from regional transportation planning organizations, the Washington state transit association, the Puget Sound clean air agency, a statewide business organization representing the sale of motor vehicles, at least one major private employer that participates in the commute trip reduction program, and other interested parties, including but not limited to parties representing diverse perspectives on issues relating to growth, development, and transportation;
(c) Identify current strategies to reduce vehicle miles traveled in the state as well as successful strategies in other jurisdictions that may be applicable in the state;
(d) Identify potential new revenue options for local and regional governments to authorize to finance vehicle miles traveled reduction efforts;
(e) Provide for the development of measurement tools that can, with a high level of confidence, measure annual progress toward the benchmarks at the local, regional, and state levels, measure the effects of strategies implemented to reduce vehicle miles traveled and adequately distinguish between common travel purposes, such as moving
freight or commuting to work, and measure trends of vehicle miles
taveled per capita on a five-year basis;

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

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

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

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

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

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

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

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

NEW SECTION. Sec. 9. A new section is added to chapter 43.330 RCW to read as follows:
(1) The legislature establishes a comprehensive green economy jobs growth initiative based on the goal of, by 2020, increasing the number of green economy jobs to twenty-five thousand from the eight thousand four hundred green economy jobs the state had in 2004.
(2) The department, in consultation with the employment security department, the state workforce training and education coordinating board, the state board of community and technical colleges, and the higher education coordinating board, shall develop a defined list of terms, consistent with current workforce and economic development terms, associated with green economy industries and jobs.
(3)(a) The employment security department, in consultation with the department, the state workforce training and education coordinating board, the state board for community and technical colleges, the higher education coordinating board, Washington State University small business development center, and the Washington State University extension energy program, shall conduct labor market research to analyze the current labor market and projected job growth in the green economy, the current and projected recruitment and skill requirement of green economy industry employers, the wage and benefits ranges of jobs within green economy industries, and the education and training requirements of entry-level and incumbent workers in those industries.
(b) The University of Washington business and economic development center shall: Analyze the current opportunities for and participation in the green economy by minority and women-owned business enterprises in Washington; identify existing barriers to their successful participation in the green economy; and develop strategies with specific policy recommendations to improve their successful participation in the green economy. The research may be informed by the research of the Puget Sound regional council prosperity partnership, as well as other entities. The University of Washington
business and economic development center shall report to the appropriate committees of the house of representatives and the senate on their research, analysis, and recommendations by December 1, 2008.

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

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

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

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

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

(7) For the purposes of this section, "target populations" means (a) entry-level or incumbent workers in high-demand green industries who are in, or are preparing for, high-wage occupations; (b) dislocated workers in declining industries who may be retrained for high-wage occupations in high-demand green industries; (c) dislocated
agriculture, timber, or energy sector workers who may be retrained for high-wage occupations in high-demand green industries; (d) eligible veterans or national guard members; (e) disadvantaged populations; or (f) anyone eligible to participate in the state opportunity grant program under RCW 28B.50.271.

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

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

(b) Plan strategies to meet the recruitment and training needs of the industry and small businesses; and

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

(9) The green industries jobs training account is created in the state treasury. Moneys from the account must be utilized to supplement the state opportunity grant program established under RCW 28B.50.271. All receipts from appropriations directed to the account must be deposited into the account. Expenditures from the account may be used only for the activities identified in this subsection. The state board for community and technical colleges, in consultation with the state workforce training and education coordinating board, informed by the research of the employment security department and the strategies
developed in this section, may authorize expenditures from the account. The state board for community and technical colleges must distribute grants from the account on a competitive basis.

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

(A) Curriculum development;
(B) Transitional jobs strategies for dislocated workers in declining industries who may be retrained for high-wage occupations in green industries;
(C) Workforce education to target populations; and
(D) Adult basic and remedial education as necessary linked to occupation skills training.

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

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

(i) Implementing effective education and training programs that meet industry demand; and
(ii) Recruiting and supporting, to successful completion of those training programs carried out under these grants, the target populations of workers.

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

(i) Use labor market and industry analysis developed by the employment security department and green industry skill panels in the design and delivery of the relevant education and training program, and otherwise utilize strategies developed by green industry skills panels;
(ii) Leverage and align existing public programs and resources and private resources toward the goal of recruiting, supporting, educating, and training target populations of workers;
(iii) Work collaboratively with other relevant stakeholders in the regional economy;
(iv) Link adult basic and remedial education, where necessary, with occupation skills training;
(v) Involve employers and, where applicable, labor unions in the determination of relevant skills and competencies and, where relevant, the validation of career pathways; and
(vi) Ensure that supportive services, where necessary, are integrated with education and training and are delivered by organizations with direct access to and experience with the targeted population of workers.

Sec. 10. RCW 28B.50.273 and 2007 c 277 s 201 are each amended to read as follows:
The college board, in partnership with business, labor, and the workforce training and education coordinating board, shall:
(1) Identify job-specific training programs offered by qualified postsecondary institutions that lead to a credential, certificate, or degree in green industry occupations as established in this act, and other high demand occupations, which are occupations where data show that employer demand for workers exceeds the supply of qualified job applicants throughout the state or in a specific region, and where training capacity is underutilized;
(2) Gain recognition of the credentials, certificates, and degrees by Washington's employers and labor organizations. The college board shall designate these recognized credentials, certificates, and degrees as "opportunity grant-eligible programs of study"; and
(3) Market the credentials, certificates, and degrees to potential students, businesses, and apprenticeship programs as a way for individuals to advance in their careers and to better meet the needs of industry.

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

NEW SECTION. Sec. 12. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.
NEW SECTION. Sec. 13. RCW 80.80.020 (Greenhouse gases emissions
reduction--Clean energy economy--Goals--Reports) and 2007 c 307 s 3 are
each repealed.

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

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

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