
ENGROSSED SECOND SUBSTITUTE SENATE BILL 6111

State of Washington

60th Legislature

2008 Regular Session

By Senate Ways & Means (originally sponsored by Senators Hobbs, Poulsen, Jacobsen, and Tom)

READ FIRST TIME 02/28/08.

1 AN ACT Relating to generating electricity from tidal and wave
2 energy; adding a new section to chapter 43.31 RCW; adding a new section
3 to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; adding
4 a new section to chapter 82.16 RCW; and providing expiration dates.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.31 RCW
7 to read as follows:

8 (1) The department of ecology must establish a wave and tidal
9 energy work group consisting of, but not limited to, representatives
10 from:

11 (a) The energy facility site evaluation council;

12 (b) The department of natural resources;

13 (c) The department of ecology;

14 (d) The department of fish and wildlife;

15 (e) The utilities and transportation commission;

16 (f) A wave energy company or tidal energy company, or both;

17 (g) A wave energy industry association or tidal energy industry
18 association, or both;

1 (h) Either a state or private university researching wave energy or
2 a state or private university researching tidal energy, or both;

3 (i) The Northwest Indian fisheries commission;

4 (j) An electrical utility; and

5 (k) A local government.

6 (2) The work group must organize and facilitate a stakeholder
7 review of issues relating to the siting and operation of tidal and wave
8 energy projects. Included within the review should be each state
9 agency with regulatory or proprietary jurisdiction over the projects or
10 sites on which projects are located, federal agencies with such
11 jurisdiction, tribes, project sponsors, utilities purchasing power from
12 or sponsoring such projects, nongovernmental organizations concerned
13 with responsible stewardship of the marine environment, citizens, and
14 local governments. The review must consider and build on the efforts
15 of the interagency work group that has been examining these issues over
16 the past year.

17 (3) The work group must organize the review to address at a minimum
18 the following:

19 (a) Applicable state and federal regulatory and aquatic land
20 proprietary management requirements, and ways to improve coordination
21 and the timeline of reviews and approvals;

22 (b) Determining the scope of an appropriate programmatic
23 environmental analysis of tidal and wave energy technologies to develop
24 a foundation for state review of proposed projects; and

25 (c) Current state policies regarding such projects and the need, if
26 any, for a comprehensive state policy.

27 (4) The work group must provide a report from the stakeholders and
28 agencies, together with any recommendations for environmental analysis
29 and administrative or legislative changes, to the governor and
30 appropriate committees of the senate and house of representatives by
31 December 31, 2008.

32 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
33 to read as follows:

34 (1) The tax levied by RCW 82.08.020 does not apply to sales of
35 machinery and equipment used directly in generating tidal or wave
36 energy, or to sales of or charges made for labor and services rendered
37 in respect to installing such machinery and equipment, but only if the

1 purchaser develops with such machinery, equipment, and labor a facility
2 capable of generating not less than five kilowatts of electricity and
3 provides the seller with an exemption certificate in a form and manner
4 prescribed by the department. The seller shall retain a copy of the
5 certificate for the seller's files.

6 (2) For purposes of this section and section 3 of this act:

7 (a) "Machinery and equipment" has the same meaning as provided in
8 RCW 82.08.02567.

9 (b) Machinery and equipment is "used directly" in generating
10 electricity with tidal or wave energy if it provides any part of the
11 process that captures the energy of the tidal or wave energy.

12 (3) This section expires June 30, 2018.

13 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
14 to read as follows:

15 (1) The provisions of this chapter do not apply with respect to
16 machinery and equipment used directly in generating not less than five
17 kilowatts of electricity using tidal or wave energy as the principal
18 source of power, or to the use of labor and services rendered in
19 respect to installing such machinery and equipment.

20 (2) The definitions in section 2 of this act apply to this section.

21 (3) This section expires June 30, 2018.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.16 RCW
23 to read as follows:

24 (1) In computing tax under this chapter, an amount equal to the
25 cost of production at the plant for consumption within the state of
26 Washington of electrical energy produced or generated from tidal or
27 wave energy is deducted from gross income.

28 (2) This section applies only to new facilities for the production
29 or generation of energy from tidal or wave energy on which construction
30 or installation is begun after January 1, 2008, and before January 1,
31 2018.

32 (3) Deductions under subsection (1) of this section are allowed for
33 a period not to exceed thirty years after the project is placed in
34 operation.

35 (4) The department of revenue, after consultation with the
36 utilities and transportation commission in the case of investor-owned

1 utilities and the governing bodies of locally regulated utilities, must
2 determine the eligibility of individual projects and measures for
3 deductions under this section.

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