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ENGROSSED SECOND SUBSTITUTE SENATE BILL 5802

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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 NEW SECTION. **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.

11 (2) The evaluation must be provided to the governor by October 15,  
12 2013, for use by the climate legislative and executive work group  
13 created in section 2 of this act, and prior to that date the  
14 independent and objective consultant or consultants selected under  
15 subsection (1) of this section may provide selective analyses, drafts,  
16 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

1 implemented in the Pacific Northwest, on the west coast, in neighboring  
2 provinces in Canada, and in other regions of the country. For each  
3 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;

6 (b) The relative impact upon different sectors of 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 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;

19 (g) Achievements in greater independence from fossil fuels and the  
20 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.

23 (4) The evaluation must analyze:

24 (a) Washington's emissions and related energy consumption profile,  
25 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;

29 (b) Options for an approach to emissions reduction that would  
30 increase expenditures upon energy sources produced in state relative to  
31 expenditures upon imported energy sources, and how that increase would  
32 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;

36 (d) Existing studies of the potential costs to Washington consumers  
37 and businesses of greenhouse gas emissions reduction programs or  
38 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:

4 (i) Renewable fuels standard;

5 (ii) Energy codes adopted by the state building code council;

6 (iii) Emission performance standards;

7 (iv) Appliance standards;

8 (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.

26 NEW SECTION. **Sec. 2.** (1)(a) The climate legislative and executive  
27 work group is created. The work group consists of five members and  
28 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.

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

3 (3) As required under section 1(1) of this act, the work group must  
4 select the consultant or consultants to be retained by the office of  
5 financial management. The consultant or consultants must demonstrate  
6 that they can perform nonpartisan, objective, and independent work.  
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  
14 support the retention of a consultant or consultants.

15 (4) The purpose of the work group is to recommend a state program  
16 of actions and policies to reduce greenhouse gas emissions, that if  
17 implemented would ensure achievement of the state's emissions targets  
18 in RCW 70.235.020. The recommendations must be prioritized to ensure  
19 the greatest amount of environmental benefit for each dollar spent and  
20 based on measures of environmental effectiveness, 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  
25 recommendations. In order for a recommendation to be included in the  
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.

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

31 (6) The work group shall use the evaluation required under section  
32 1 of this act to inform the work group regarding experiences in other  
33 jurisdictions and may call on the author of the evaluation to respond  
34 to questions. All state agencies shall also cooperate with the work  
35 group in providing information regarding previous and current climate  
36 action reports and analyses.

37 (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 NEW\_SECTION. **Sec. 3.** Nothing in this act may be construed to  
7 enhance or diminish any existing authority regarding greenhouse gas  
8 emissions.

9 NEW\_SECTION. **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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