

# Existing Washington State Energy Policies

Inventory as of 2020-08-29

|   |           |
|---|-----------|
| <b>Inventory Definition.....</b>  | <b>2</b>  |
| <b>B. Buildings.....</b>  | <b>2</b>  |
| B1. Monitoring, Reporting & Disclosure.....                               | 2         |
| B2. Energy Code; Efficiency and Renewables in New Construction.....       | 3         |
| B3. Appliance and Equipment Standards.....                                | 3         |
| B4. Landscaping and Site Considerations.....                              | 3         |
| B5. Energy Efficiency, Recommissioning and Retrocommissioning.....        | 4         |
| B6. Property-Assessed Financing.....                                      | 5         |
| B7. Renewable Natural Gas.....  | 6         |
| Bx. Expired/Superseded.....   | 6         |
| <b>E. Electricity.....</b>  | <b>6</b>  |
| E1. Power Plant Permitting, Emissions, and Generation Efficiency.....     | 6         |
| E2. Fuel Mix, Renewable Portfolio Standards, and Green Power Trading..... | 7         |
| E3. Renewable and Distributed Electricity Sources.....                    | 8         |
| E4. Interconnection and Net Metering.....                                 | 10        |
| E5. Demand-Side Energy Efficiency.....                                    | 10        |
| Ex. Expired/Superseded.....   | 11        |
| <b>G. Economy-Wide Energy Planning and Management.....</b>                | <b>12</b> |
| G1. GHG Reduction Targets and Programs.....                               | 12        |
| G2. Non-CO <sub>2</sub> GHG Reductions.....                               | 13        |
| G3. Energy Tracking, Management, and Strategy.....                        | 13        |
| Gx. Expired/Superseded.....   | 14        |
| <b>L. Land Use, Land Use Change, and Urban Planning.....</b>              | <b>15</b> |
| L1. Forest Management.....  | 15        |
| L2. Agriculture.....  | 15        |
| L3. Urban Environment.....  | 15        |
| Lx. Expired/Superseded.....   | 15        |
| <b>N. Industry.....</b>   | <b>16</b> |
| N1. Research, Development, and Jobs.....                                  | 16        |
| N2. Low-Carbon Fuels.....   | 16        |
| N3. Combined Heat and Power.....  | 17        |
| Nx. Expired/Superseded.....   | 17        |

|  |           |
|--|-----------|
| <b>T. Transportation.....</b>  | <b>17</b> |
| T1. Mode Shifts, VMT Reduction, and Public Transit.....                            | 17        |
| T2. Vehicle Efficiency and Emissions.....  | 18        |
| T3. Electric and Alternative-Fuel Vehicles.....                                    | 19        |
| T4. EV Infrastructure.....   | 21        |
| T5. Low-Carbon Fuels (including Biofuels).....                                     | 22        |
| T6. Transportation System Funding (Including Congestion Pricing/Road Pricing)..... | 23        |
| T7. Freight, Shipping, and Aviation.....   | 24        |
| Tx. Expired/Superseded.....  | 24        |
| <b>Z. Other.....</b>   | <b>25</b> |
| Z1. Climate Adaptation.....  | 25        |
| Z2. Petroleum Spills & Leakage Response.....                                       | 25        |
| Z3. Environmental Review.....  | 26        |
| Z4. Waste Management.....  | 28        |
| Z5. Sustainability Planning.....   | 28        |
| Z6. Conventional Air Pollutants.....   | 28        |

## Inventory Definition

This is an inventory of Washington State energy policies in force as of July 1, 2020. Washington State energy policies in force may include, but are not limited to:

- Legislation (as appearing in the Revised Code of Washington);
- Rules (as appearing in the Washington Administrative Code);
- Executive orders;
- Judicial statements and their associated settlement funds;
- Utilities & Transportation Commission final orders; and
- Budget provisos.

The inventory does *not* include unpassed legislative bills, or other proposed policies.

## B. Buildings

### **B1. Monitoring, Reporting & Disclosure**

**B1.1** *Municipal Building energy benchmarking.* The City of Seattle requires buildings over 20,000 square feet to report their energy usage. Building owners are required to share their energy benchmarking reports to prospective buyers

before selling. A publicly accessible database is maintained with energy usage data. ([Municipal code 22.920](#))

- B1.2 Public building energy benchmarking.** Performance standards, benchmarking, and other reporting requirements for public buildings. Utilities must keep energy consumption data for qualifying public buildings which they service and make it available to potential buyers or lessees of the building. ([RCW 19.27A.170](#))

## **B2. Energy Code; Efficiency and Renewables in New Construction**

*Policy that affects energy efficiency in both existing and new construction appears in subsection B5.*

- B2.1 State energy code.** The state requires that the code must drive a 70 percent reduction in annual net energy consumption from 2006 levels by 2031. State energy codes must drive incremental progress toward this reduction goal, with reports of progress in 2012 and every 3 years after. Carbon emissions are used as a metric to measure code compliance. This applies to new construction and large-scale alterations ([RCW19.27A](#), [RCW 19.27A.160](#), [WAC 51-11](#))
- B2.2 Energy conservation in public buildings.** Energy conservation in design of publicly funded buildings – life-cycle cost analysis required ([RCW 39.35](#))
- B2.3 LEED silver requirements for public buildings.** LEED silver standard requirements for publicly funded buildings ([RCW 39.35D](#))

## **B3. Appliance and Equipment Standards**

- B3.1 Appliance efficiency standards.** State appliance efficiency standards for more than 20 appliances. Electric storage water heaters must have a modular demand response communications port. Utilities may not enroll a customer in a demand response program due to the electric storage water heater without the customer's consent and appropriate privacy considerations. ([RCW 19.260](#))

## **B4. Landscaping and Site Considerations**

*See also category L Land Use, Land Use Change, and Urban Planning.*

- B4.1 Further energy conservation in landscape objectives.** Department of General Administration must seek to further energy conservation in landscape objectives. ([RCW 43.19.682](#))

## **B5. Energy Efficiency, Recommissioning and Retrocommissioning**

- B5.1 Aggregation of energy efficiency measures among government entities.** Municipalities may aggregate energy audits and implement cost-effective energy conservation measures among multiple government entities. ([RCW 43.19.691](#))
- B5.2 Performance-based energy contract negotiation.** Municipalities are authorized to negotiate performance-based energy contracts with energy service contractors. ([RCW 39.35A](#))
- B5.3 Incentive return for conservation investments for senior citizens or low-income customers.** WUTC must adopt a two percent incentive return for conservation investments made in support of new building code or programs that provide a priority for senior citizens or low-income customers. ([RCW 80.28.260](#))
- B5.4 Enhancing energy efficiency. Enhancing Energy Efficiency:** The Legislature approved (2009 Legislation [E2SSB 5649](#))
- Implements community-wide energy efficiency upgrades.
  - Enhances the low-income residential weatherization program.
  - Assesses the energy efficiency of properties in the Housing Trust Fund.
- B5.5 Strategic plan for enhancing energy efficiency.** Develop and implement a strategic plan for enhancing energy efficiency in and reducing greenhouse gas emissions from homes, buildings, districts, and neighborhoods ([RCW 19.27A.150](#))
- B5.6 State efficiency and environmental performance.** When making decisions that affect emissions agencies must consider benefits and costs (including social cost of carbon) of options to avoid emissions. Prioritize battery electric vehicles (BEVs) for state fleets and support installation of charging infrastructure. If BEVs are unavailable, prioritize most cost-effective low-emissions option. All newly-constructed state-owned or leased buildings should be zero energy or zero energy-capable (including consideration of embodied carbon). If zero energy is not cost effective, then building must exceed current state building code for energy efficiency (EE). Agencies must implement plans to reduce energy use in state facilities and increase EE including deep retrofits in the future. WSDOT shall start transitioning ferries to zero-carbon. Agencies must pursue opportunities to obtain zero-emission electricity sources. Better align current fiscal policies to support emissions-reduction and carbon sequestration. ([Executive Order 20-01](#))
- B5.7 Clean Buildings Act.** Updates Washington state's building code and increases energy efficiency requirements. Department of Commerce required to establish a state energy performance standard and buildings larger than 50,000 sq. ft. must comply. Goal for the standard is maximum potential reduction of building GHG emissions. An incentive program will be developed for buildings that reach their standards before the target dates. Utilities must establish a natural gas efficiency

- acquisition target updated every two years to acquire all resources that are available and cost-effective when factoring in the social cost of carbon. New buildings must be built EV ready, with 10% of accessible parking spaces equipped with chargers. ([RCW 19.27A.210](#), [RCW 19.27A.220](#), [RCW 19.27.540](#))
- B5.8 Low-income weatherization and structural rehabilitation assistance account.** Department of Commerce must prioritize weatherization and structural rehabilitation projects to facilitate funding from federal energy efficiency programs. Funds must go to projects maximizing energy efficiency and extending the life of a home through rehabilitation/repair and installing energy efficiency measures. Gives community agencies more flexibility to meet the needs of low-income customers. ([RCW 70.164](#))
- B5.9 Energy efficiency improvements at schools.** \$505 million in bonds will go toward creating jobs through construction of capital improvements and energy efficiency projects in public K-12 school districts and higher education facilities. \$500 million to Department of Commerce to use for energy cost savings improvements and related projects that result in energy, utility, and operational cost savings for K-12 schools and public higher education; these will be given as grants and 5% of each round of grants must go to small school districts. ([RCW 43.331](#))
- B5.10 Reducing energy use in buildings and increasing energy efficiency in state-leased buildings.** Utilities must maintain energy consumption data for all nonresidential and qualifying public agency buildings that they service; energy data must be disclosed to prospective buyers, lessees, and lenders. State agencies may not enter into a new lease or renew a lease for a building with an energy performance score below 75 unless owner agrees to an energy audit and implements cost-effective energy conservation measures within the first two years of the lease agreement. ([RCW 19.27A.170](#), [RCW 19.27A.190](#))
- B5.11 Evergreen Sustainable Development Standard.** Building performance standard required of all affordable housing projects or programs receiving capital funds from the Housing Trust Fund. Different project types and scopes must achieve different point totals from the set of optional criteria. For example, a project replacing appliances must replace appliances at the end of their lives with appropriate Energy Star options. ([RCW 39.35D.080](#), [ESDS v.3.0.1](#))

## **B6. Property-Assessed Financing**

- B6.1 Commercial property assessed clean energy and resiliency programs.** Commercial property assessed clean energy and resiliency program for energy/resiliency retrofits and new construction. Allow property owners to borrow money for renewable energy or EE improvements and then pay costs back over time through a property assessment. This bill allows Commerce to establish

a voluntary statewide C-PACER program that counties can choose to participate in. (Chapter 27, Laws of 2020; [E2SHB 2405](#), [RCW Title 36](#))

## **B7. Renewable Natural Gas**

**B7.1 Promoting renewable natural gas.** The WSU Energy Program, Department of Commerce, and UTC must submit recommendations on how to promote sustainable development of renewable natural gas (RNG) by September 2018, including the detailed inventory of the practical opportunities and costs associated with RNG production, opportunities for state agencies to take advantage of RNG, recommendations for limiting life-cycle carbon intensity of RNG, and whether to adopt procurement standards for RNG. Explore voluntary gas quality standards for injection of RNG into a natural gas pipeline; industry groups must be consulted. Explore sales and use tax exemptions for equipment/services necessary to process landfill biogas and the establishment and operation of anaerobic digesters. (RCW 82.[08](#), [RCW 84.36.635](#), [RCW 82.29a.135](#))

## **Bx. Expired/Superseded**

**Bx.1 Achieving energy efficiency in state buildings.** All agencies must fully implement existing energy efficiency (EE) laws and regulations; funds are now available to do so. Agencies not meeting the appropriate EE levels must complete an energy audit. Deadline to complete cost-effective EE investments can be extended to July 2016 at latest. By 2020 each agency shall reduce building energy use by 20% below 2009 levels. Applies to state occupied buildings above 10,000 square feet. For leased facilities with scores less than 75, owner will be notified that the state lease may not be renewed unless all cost-effective EE improvements are made within 2 years. Superseded by [Executive Order 18-01](#) and [20-01](#) and rescinded. ([Executive Order 12-06](#))

## **E. Electricity**

### **E1. Power Plant Permitting, Emissions, and Generation Efficiency**

**E1.1 EFSEC land use and environmental requirements for certain energy facilities.** Certain energy facilities must meet Energy Facility Site Evaluation Council (EFSEC) land use and environmental requirements, including thermal electric generation facilities, pipelines, electric transmission lines, petroleum refineries and petroleum storage facilities of a certain size, and all alternative energy electrical generation facilities. ([RCW 80.50 RCW](#))

**E1.2 Regulation of environmental quality relating to energy facilities not covered by EFSEC.** The Department of Ecology regulates air quality, water quality and

water resources as they relate to new energy facilities not explicitly covered by EFSEC ([RCW 70.94.161, Operating Permits for Air Contaminant Sources](#); and [RCW 70.94.162, Annual Fees from Operating Permit Program](#))

- E1.3 CO2 reduction requirements for new fossil fuel plants.** Depending upon the size of the facility, EFSEC or Ecology enforce CO2 reduction requirements for all new fossil fuel plants ([RCW 80.70](#))
- E1.4 Greenhouse gas emission standard enforcement.** EFSEC and Ecology enforce greenhouse gas emission standards for ([RCW 80.80.040 \(10\)](#)).
- E1.5 Prohibition on coal-fired power contracts.** Prohibition on long term coal-fired power contracts for all state's utilities ([RCW 80.80](#))
- E1.6 Clean Energy Transformation Act.** Phases out coal generation by Dec. 31 2025 ([RCW 19.405.030](#)); requires electricity to be GHG neutral 2030-2044 ([RCW 19.405.040](#)); requires 100% non-emitting resources as of 2045 ([RCW 19.405.050](#)).
- E1.7 EFSEC authority on renewable energy project siting.** EFSEC state preemptive authority on siting of all renewable energy projects that choose the EFSEC process ([RCW 80.50.060](#))
- E1.8 Transitioning off coal.** Specific to the only coal-fired power plant in WA: TransAlta. Will be required to cut NOx emissions by 2013, and permanently shut its two boilers in 2020 and 2025. TransAlta must also make contributions to economic development and energy efficiency as it transitions away from coal in Lewis County. ([RCW 80.80](#), [RCW 43.160.076](#))
- E1.9 Exemption from emissions performance standard.** All baseload electric generation facilities and all cogeneration facilities fueled by natural gas or waste gas or a combination, in operation by June 30, 2008 , are deemed to be in compliance with the greenhouse gas emissions performance standard until the facilities are the subject of long-term financial commitments. ([RCW 80.80.040](#))

## **E2. Fuel Mix, Renewable Portfolio Standards, and Green Power Trading**

- E2.1 Fuel mix disclosure.** Fuel mix disclosure to customers required for all electric utilities. ([RCW 19.29A.060](#))
- E2.3 Renewable portfolio standard for large utilities.** Large utilities must obtain fifteen percent of their electricity from new renewable resources such as solar and wind by 2020. (Initiative-937: [RCW 19.285](#), Energy Independence Act)
- E2.4 Creating the Sustainable Energy Trust.** The sustainable energy trust program will be overseen by the Housing Finance Commission and provide financing for qualified energy efficiency (EE) and renewable energy (RE) improvement

projects that are likely to repay loans. The Commission will also secure the benefits of programs that promote EE and RE for itself and the people of WA. ([RCW 43.180.260](#))

- E2.5 Voluntary green power purchase option.** Voluntary green power purchase option required of all large electric utilities ([RCW 19.29A.090](#))
- E2.6 Requiring integrated resource plans for utilities.** Integrated resource plan or resource plan required biennially of all state's electric utilities ([RCW 19.280](#))
- E2.7 Decoupling.** The Energy Independence Act (EIA) gave the UTC the decoupling tool to help utilities meet their EIA obligations. Decoupling sets the utility's revenues on a per customer basis, rather than a per kWh or per therm basis, while retail rates are still based on amount consumed. This gives the customer the incentive to reduce their use, and does not disincentivize the utility from offering conservation measures and energy efficiency incentives. The UTC allows utilities to propose limited or full decoupling plans which are decided on a case-by-case basis. The UTC may also provide cost-effective direct conservation incentives to utilities that exceed their conservation goals as set under the EIA early. ([RCW 19.285](#), UTC Docket U-100522)

### **E3. Renewable and Distributed Electricity Sources**

*See also subcategory E4 Interconnection and Net Metering.*

*Policies promoting bioenergy for both stationary and mobile applications appear in subcategory T2.*

*Policies promoting renewable natural gas appear in subcategory B2.*

*Waste-to-energy policies appear in subcategory Z4.*

- E3.1 Anaerobic digester tax exemption.** Anaerobic digester construction and operation, and related services or components, are exempt from retail sales and use taxes. More than half of digester feedstock must be livestock manure. ([RCW 82.08.900](#), [RCW 82.12.900](#))
- E3.2 Rules governing woodstove use during burn bans.** A person can install or repair a solid fuel burning device (often a woodstove) that meets emissions requirements or replace an uncertified device with a certified one even during a burn ban. During emergency power outages burning wood in a device is unrestricted regardless of whether a burn ban has been called. ([RCW 70.94.473](#))
- E3.3 Community solar cost recovery.** The cost-recovery incentive program in 5101 is extended to "community solar projects." Community solar projects are eligible for incentives of 30 cents for each kilowatt-hour of energy produced. Each applicant

in a community solar project is eligible for annual incentives of \$5,000 per year. (ESSB 6170 – will be codified in [RCW 82.16.110](#) and [RCW 82.16.120](#))

- E3.4 Incentives for solar systems.** Incentives paid to system owners based on system classification once per year for eight years or until 50% of paid price is earned back. For residential, commercial, shared commercial, and community solar. Bonus for made in WA. Phases out and adjusts incentive rates for rooftop residential and commercial-scale solar. Allows utilities to administer/organize a shared commercial solar project of between 1 MW and 5 MW with at least 5 participants in WA. Ecology must develop a Stewardship program for collecting and recycling PV panels and begin enforcing that each manufacturer prepare and submit a plan. ([RCW 82.16](#), [RCW 80.28](#))
- E3.5 Extension of the B&O manufacturing tax on solar energy products.** The preferential B&O manufacturing tax rate for solar energy and silicon products extended to 2027. Construction and renovation to convert a coal-fired power plant into natural gas or biomass plants is exempt from sales and use tax including labor and services and machinery and equipment required. ([RCW 82.04](#), [RCW 82.08](#), [RCW 82.12](#))
- E3.6 Renewable gas tariffs.** Renewable Gas - Gas utilities must file voluntary renewable gas tariffs and may file tariffs offering customers to supply a specific portion of their gas supply as renewable gas. ([RCW 80.28.385](#), [RCW 80.28.390](#))
- E3.7 Allowing public utilities to produce and sell renewable natural gas.** Public utilities can now produce and use renewable natural gas (RNG) for internal operations, can sell at wholesale or to end-use customers under some conditions. PUDs cannot sell RNG to an end-use customer of a gas company and cannot own/operate NG distribution pipeline systems serving retail customers directly. ([RCW 54.04.190](#))
- E3.8 Distributed energy resources planning.** Distributed energy resources planning must: identify data gaps and necessary upgrades; propose monitoring, control and metering upgrades that will provide net consumer benefits; identify potential cost-effective programs, fairly compensate customers for the value of the distributed energy resources, include programs benefitting low-income customers; provide a ten-year plan for distribution system investments; include distributed energy resources in the utility's integrated resource plan; identify cybersecurity measures and future improvements for the next cycle. Procurement of distributed energy must be price-based and technology neutral. ([RCW 19.280.100](#))
- E3.9 Treatment of energy storage technologies in integrated resource planning and resource acquisition.** A new IRP planning framework that includes generation, transmission, and distribution considered jointly should be used to plan future utility resource mix, as storage acts in all three functions, and its multiple benefits must be considered in order for it to be cost effective. The UTC wants utilities to consider energy storage as a potential investment opportunity.

UTC will require using sub-hourly models in the future, and expects utilities to adhere to recommendations on how to use traditional hourly IRP models that model the sub-hourly benefits of storage including transmission and distribution benefits until that point. Utilities should work with advisory groups to identify/analyze a reasonable and representative range of storage technologies and chemistries, and use a reliable, independent third party for current cost data. Utilities must develop programs to leverage EVs as distributed storage resources. ([Filing UE-151069](#))

#### **E4. Interconnection and Net Metering**

- E4.1 Net metering for small renewable systems.** Customer-generators that generate more electricity than supplied by the electric utility shall be credited for the excess kilowatt-hours during the next billing period. Available on a first-come, first-served basis until June 30, 2029, or the first date upon which the cumulative generating capacity of net metering systems equals four percent of the utility's peak demand during 1996. ([RCW 80.60.020](#), [RCW 80.60.030](#))
- E4.2 Interconnection standards.** The Utilities and Transportation Commission, and governing bodies of public utilities, are given authority to set interconnection standards. ([RCW 80.60.040](#))

#### **E5. Demand-Side Energy Efficiency**

- E5.1 Cost-effective energy efficiency requirement.** Requirement for large electric utilities to capture all cost effective energy efficiency (Initiative-937, Energy Independence Act: [RCW 19.285.040](#))
- E5.2 Financial assistance for energy conservation projects.** Municipal electric utilities and public utility districts providing electricity may give financial assistance for energy conservation projects. ([RCW 35.92.360](#); [RCW 54.16.280](#))
- E5.3 Conservation service tariffs.** An electrical, gas, or water company may file a conservation service tariff with WUTC. The Commission shall approve service rates at levels sufficient to recover the expenditures of the bondable conservation investment in rate base. ([RCW 80.28.303](#))
- E5.4 Conservation bond issuance.** Electrical, gas, and water companies, or finance subsidiaries, may issue conservation bonds upon approval by WUTC. ([RCW 80.28.306](#))
- E5.5 Energy Independence Act energy conservation requirements.** All qualifying utilities must pursue all available conservation that is cost-effective, reliable, and feasible. Utilities must create/update an assessment of all achievable cost-effective conservation potential for the next 10 years every two years, and must

establish a biennial acquisition target for cost-effective conservation and meet that target. ([RCW 19.285](#))

**Ex.5 Customer choice for advanced meter installation.** Utilities regulated by the Commission will offer an opt-out option to their customers receiving advanced meter technology, and will be subject to explicit requirements for protecting consumer information and usage, as ruled by the UTC. Prior to installing any advanced meters in Washington, utilities must file an opt-out tariff with the Commission. ([Filing U-180117](#))

### **Ex. Expired/Superseded**

**Ex.1 Tax exemption for cogeneration equipment.** Equipment used for a cogeneration facility integrated into a manufacturing site is exempt from retail sales and use taxes. Expired June 30, 2009. ([RCW 82.08.02565](#), [RCW 82.12.02565](#))

**Ex.2 Sales and use tax exemption for renewable energy.** Equipment, labor and associated services for power production greater than 200w from various renewable energy sources, including landfill gas, are exempt from retail sales and use taxes. Expired June 30, 2009. ([RCW 82.08.02567](#), [RCW 82.12.02567](#))

**Ex.3 Tax credit for harvested biomass.** B&O credit is provided for harvesters of harvested green ton of forest derived biomass sold or used for production of electricity, steam, heat or biofuel as follows: from July 1, 2010, through June 30, 2013, \$3 per harvested green ton; and from July 1, 2013, through June 30, 2015, \$5 per harvested green ton. The credit expires June 30, 2015. (ESSB 6170 – will be codified in [RCW 82.04](#), [RCW 82.08](#), and [RCW 82.12](#))

**Ex.4 Sales tax exemption for forest derived biomass.** Sales tax exemption is provided for the sale of forest derived biomass used to produce electricity, steam, heat or biofuel. The exemption expires on June 30, 2013. (ESSB 6170 – will be codified in [RCW 82.08](#), and [RCW 82.12](#))

**Ex.5 Financial support for biofuels from waste.** Energy Freedom Program provides financial support for projects converting farm products, wastes, cellulose, or biogas directly into electricity or biofuel or other co-products. Expires June 30, 2016. ([RCW 43.325.020](#))

**Ex.6 Incentive for electricity production from anaerobic digesters.** Producers of grid intertied power from anaerobic digesters are eligible for .15¢/ Kwh incentive payments of up to \$2,000/yr. Expires June 30, 2014. ([RCW 82.16.110](#))

**Ex.7 Wood biomass fuel tax exemption.** Sales of equipment, and related services or components, used for retail sale or use of wood biomass fuel blends containing at least 20% wood biomass fuel are exempt from retail sales and use taxes. Sales of fuel delivery vehicles, and related services or components, are exempt if at least

75% of the fuel is wood biomass fuel blends containing at least 20% wood biomass fuel. Expires July 1, 2009. ([RCW 82.08.960](#), [RCW 82.12.960](#))

- Ex.8 Tax refund for sales tax on renewable energy equipment.** A sales and use tax exemption in the form of a refund is allowed for 100 percent of the sales tax paid on machinery and equipment used to create energy from fuel cells, sun, wind, biomass energy, tidal and wave energy, geothermal resources, anaerobic digestion, and technology that converts otherwise lost energy from exhaust or landfill gas from July 1, 2009, to June 30, 2011. The sales tax exemption is reduced to 75 percent from July 1, 2011, to June 30, 2013. The exemption expires June 30, 2013. (ESSB 6170 – will be codified in [RCW 82.08](#) and [RCW 82.12](#))
- Ex.9 Reduced B&O tax rate for wholesale solar panel and silicon manufacturers.** Beginning October 1, 2009, the B&O tax for businesses that manufacture or sell at wholesale either: (1) solar energy systems using photovoltaic modules; or (2) solar grade silicon and an expanded list of materials to be used exclusively in the components solar systems or semiconductors is set at a reduced rate of 0.275 percent. The lower B&O tax rate expires on June 30, 2014. (ESSB 6170 – will be codified in [RCW 82.04.294](#))
- Ex.10 Sales tax exemption for chemicals needed to produce solar energy equipment.** A sales tax exemption is provided for gases and chemicals used in the production of solar energy equipment. The exemption expires December 1, 2018. (ESSB 6170 – will be codified in [RCW 82.08.9651](#) and [RCW 82.12.9651](#))E4.10
- Ex. 11 Colstrip closure.** Puget Sound Energy must close coal-fired Colstrip 1 and Colstrip 2. As of January 2020, both units have been closed. This bill allows utilities to use regulatory liabilities as a fund to cover decommissioning and remediation costs of coal plants that started before 1980. Any extra funds after decommissioning are returned to the ratepayers. ([RCW 80](#))

## G. Economy-Wide Energy Planning and Management

### G1. GHG Reduction Targets and Programs

- G1.1 Clean Air Rule** Requires major sources of GHGs in WA to cap and reduce their emissions. *In litigation.* ([WAC 173-442](#))
- G1.2 Climate pollution limits.** Sets new GHG reduction targets for the state to meet based on the most recent science and includes sequestration in public lands in the state's climate policy. Targets: 45% below 1990 levels by 2030, 70% below 1990 levels by 2040, net zero by 2050. Biannual report on total emissions including GHG emissions from wildfires required. No new regulatory authority created. Carbon sequestration - all state agencies must seek all practicable opportunities to cost-effectively sequester and store carbon. ([RCW 70.235](#))

- G1.3 Environmental assessment of GHG emissions.** Department of Ecology directed to strengthen and standardize the consideration of climate change risks, vulnerability, and impacts in environmental assessments for major projects with significant impact. Based on the most current climate change science these rules will apply to all branches of government, major industrial projects, and fossil fuel projects. Establish uniform methods, processes, procedures, protocols, and criteria to ensure comprehensive assessment and quantification of direct and indirect GHG emissions resulting from project. Include: 20 and 100 year GWP for all GHGs attributed to project, increased load/growth in fuel/energy consumption, criteria to assess upstream and downstream lifecycle emissions (including transportation and leakage), methods for mitigation of GHGs to achieve goal of no net increase of GHGs attributable to the project. ([Directive of the Governor 19-18](#))
- G1.4 Carbon pollution reduction and clean energy action.** Establishes a Carbon Emissions Reduction taskforce to provide recommendations on design and implementation of carbon pricing scheme, state agencies must work with utilities to reduce and eliminate electric power produced by coal in other states. WSDOT helps promote strategies to support transportation electrification and clean fuels. Department of Commerce to work with WSU to develop/deploy new renewable energy and energy efficiency technologies including emphasis on solar power, improvement of energy efficiency of public and private buildings, carbon reduction and energy efficiency improvements throughout state government, including meeting Results Washington goals. The Department of Ecology shall review state GHG limits and recommend updates. ([Executive Order 14-04](#))
- G1.5 State agency GHG emission limits.** State agencies must meet statewide GHG emissions limits and reduce emissions: by 15% below 2005 levels in 2020, 37% below 2005 levels by 2035, 57.5% below 2005 levels or 70% below expected state government emissions that year by 2050 (whichever greater). Each state agency must submit a GHG reduction strategy to the Department of Ecology. ([RCW 70.235](#))

## **G2. Non-CO<sub>2</sub> GHG Reductions**

- G2.1 Transition away from the use of hydrofluorocarbons (HFCs).** Use depends on what year they will be phased out. All HFCs will be phased out by 2024. When products are retrofitted from using one refrigerant to another, restricted HFCs may not be used. ([RCW 39.26](#), [RCW 70.94](#), [RCW 70.235](#))

## **G3. Energy Tracking, Management, and Strategy**

- G3.1 Biennial Energy Report.** Department of Commerce is required to provide the Legislature with the status of various energy system indicators every two years. ([RCW 43.21F.045](#))

## **Gx. Expired/Superseded**

- Gx.1 Regional GHG reduction program.** The Department of Ecology must work to develop a regional GHG reduction program that reflects WA values, provide each facility responsible for more than 25,000 tons of CO<sub>2</sub> equivalent annually with an estimate of baseline emissions and the proportion of GHG reduction necessary to meet legislated goals, request recommended strategies/policies, work with Centralia coal plan to apply GHG performance standards by 2025, and recommend forestry offset protocols. The Department of Transportation must estimate current and future vehicle miles traveled (VMTs) and evaluate potential changes to VMT benchmark to address no and low emission vehicles and develop additional strategies to reduce transportation emissions, work with different local transportation agencies to develop regional transportation plans that will reduce GHGs and reduce per capita VMTs, seek/develop federal funds to electrify West Coast interstate highway, request federal funding to purchase EVs and install public infrastructure, evaluate impacts of sea level rise on coastlines, and consult tribes in implementation of all aspects of this EO. Superseded by [EO 14-04](#) and rescinded. ([Executive Order 09-05](#))
- Gx.2 GHG emissions reduction targets and increasing clean energy jobs.** GHG reductions: By 2020 to 1990 levels, by 2035 25% below 1990 levels, by 2050 50% below 1990 levels or 70% below expected state GHG levels that year. Goal is to increase clean energy sector jobs to 25,000 by 2020. Department of Ecology must develop/implement a system for monitoring and reporting GHG emissions. Vehicle miles traveled (VMT) goals: decrease per capita VMTs by 18% in 2020, by 30% in 2035, by 50% by 2050. Green Industries Job Training Account created to supplement state opportunity grants programs to train workers in high demand green jobs and for educational purposes related to green economy. HB 2311 (2020) updated GHG reduction targets *see* *GI.2*. ([RCW 70.94](#), [RCW 28B.50.273](#))
- Gx.3 State agency GHG reduction measures.** State agencies must identify and implement cost-effective measures that reduce emissions, especially new facilities, existing facilities, ferries, electric vehicles, environmentally responsible purchasing, finance. Agencies must consider the social cost of carbon in cost analyses and adopt cost-effective solutions with lower emissions when available. New vehicle purchases favor BEVs and agencies prioritize use of BEVs or lower emitting vehicles. Agencies should implement plans to reduce energy use in state facilities and increase EE. Ferries begin transition to zero emissions. Agencies begin to transition to state operations conducted with zero emission electricity sources. Agencies will aim to reduce toxics in purchases. A working group will convene to align fiscal policies with needs to support emissions reduction and carbon sequestration. Superseded by [executive order 20-01](#) and rescinded. ([Executive Order 18-01](#))
- Gx.4 Recommendations to achieve GHG reduction goals.** The Office of Financial Management must contract with an independent consultant to evaluate approaches to reducing GHGs in line with the state's goals by October 2013 including a

review of other countries' and states' efforts to reduce GHGs. A Workgroup will be created to recommend a state program to achieve WA's GHG limits, recommendations should be prioritized based on greatest environmental benefit for each dollar spent. A timeline and funding necessary for implementation must be included. The report must be sent to the full Legislature by December 31, 2013. *(RCW archived)*

## **L. Land Use, Land Use Change, and Urban Planning**

### **L1. Forest Management**

**L1.1 Forest riparian easement program.** Small forest landowners can sell or donate forest easements to the state (small forest landowners harvest less than an average of 2 million board feet per year). Value of the easement is based on the fair market value of the timber volume covered by the easement. This bill expands qualifying timber to include trees that the owner is required to leave unharvested under the forest practices rules in addition to fish protection rules. If the state adopts a climate strategy, the Department of Natural Resources must share information about carbon sequestration benefits of the forest riparian easement program to quantify carbon storage. ([RCW 76.13.120](#))

### **L2. Agriculture**

### **L3. Urban Environment**

**L3.1** Creates an inventory of urban trees statewide and financial incentives for cities that adopt tree management plans (designation as an Evergreen Community is available). Evergreen Communities get a competitive advantage for some local government grant programs. Must adopt an Urban Forestry Management Plan based on inventory. ([RCW 76.15](#), [RCW 89.08](#), [RCW 36.01.260](#), [RCW 35](#))

### **Lx. Expired/Superseded**

**Lx.1 Forest resiliency burning pilot project.** Resiliency burning to mitigate wildfire potential must be approved by the Department of Natural Resources 24 hours before. Forest burning cannot occur at the scale that would require modification to the state's SIP (under the federal Clean Air Act) and is exempt from SEPA review. The DNR is responsible for the forest resiliency burning pilot. By 2018, DNR must report: the amount of burning proposed, approved, and conducted; quantity/severity of air quality exceedance; analysis of predicted and actual smoke conditions at each location; recommendations about continuation or expansion of forest resiliency burning. Forest resiliency burning must be approved if unlikely

to significantly contribute to air quality exceedance - exempt from certain standards under state's CAA. (*RCW archived*)

## N. Industry

### N1. Research, Development, and Jobs

- N1.1 Green economy jobs and training. Evergreen Jobs Initiative: (2009 Legislation [E2SHB 2227](#))** establishes the Evergreen Jobs Initiative to create 15,000 new green economy jobs by 2020 and to prioritize programs to train workers in green economy job sectors.
- N1.2 Clean energy leadership council. Clean Energy Leadership Initiative: (2009 Legislation [SSB 5921](#))** enables the Governor to create a clean energy leadership council in collaboration with a private-public alliance focusing on growing Washington's clean technology sector.
- N1.3 Creating the Joint Center for Deployment and Research in Earth-Abundant Materials (JCDREAM).** JCDREAM is through UW and WSU to establish a program in earth-abundant materials to accelerate development of next generation clean energy and transportation technologies in WA, drive research and deployment of these materials and recycling of advanced materials used in clean technologies, and promote environmentally responsible processes for the manufacturing and recycling of advanced materials. ([RCW 28B](#))
- N1.4 Department of Commerce Clean Energy Fund.** Money is for projects that develop/deploy clean energy technologies to save energy and reduce energy costs, reduce emissions, increase energy independence. All projects must last at least 13 years. \$10m provided for revolving loan fund. (*by budget appropriation*)

### N2. Low-Carbon Fuels

- N2.1 Natural gas tax deferral for direct service industrial customers.** Direct service industrial customers may defer the sales and use tax and B&O taxes on direct use of natural or manufactured gas consumed to generate electricity at their facility. Credit may be received against the B&O tax for natural gas purchased to generate electricity at a gas-fired electrical generation facility owned by the customer. Tax deferred does not to be paid if the average five-year annual employment amount before use of the natural gas to generate electricity is equal or more than the six-year average annual employment during the use of gas. A credit is available against the PUT paid by an electricity generator that sells electricity to a DSI under a 10-year contract from a new gas turbine electrical generating facility if certain conditions are met. The tax credits and deferrals are available for five years. ([RCW 82.12.024](#), [RCW 82.04.447](#))

**N2.2 Use tax exemption for certain industrial and agricultural uses.** The use tax does not apply to the use of natural or manufactured gas by an aluminum smelter before January 1, 2027, or a silicon smelter. The retail sales tax does not apply to sales to farmers of propane or natural gas used to heat structures for housing chickens sold as agricultural products. ([RCW 82.12.022](#), [RCW 82.08.910](#))

### **N3. Combined Heat and Power**

**N3.1 Permitting for combined heat and power.** The Department of Ecology must establish a permit by rule for stationary natural gas engines used in combined heat and power systems. ([RCW 70.94.991](#))

### **Nx. Expired/Superseded**

## **T. Transportation**

### **T1. Mode Shifts, VMT Reduction, and Public Transit**

*See also category L Land Use, Land Use Change and Urban Planning.*

- T1.1 Reducing vehicle miles traveled.** Department of Transportation must adopt broad statewide goals to reduce annual per capita vehicle miles traveled by 2050 ([RCW 47.01.440](#))
- T1.2 Commute trip reduction requirements.** Commute trip reduction requirements for large employers ([RCW 70.94.521 - 555](#))
- T1.3 Commute trip reduction for state agencies.** Requires the Department of Transportation to develop a joint comprehensive commute trip reduction plan for all state agencies located in the Olympia, Lacey and Tumwater urban growth area. ([2009 Legislation SSB 6088](#))
- T1.4 Regional transportation planning organizations.** A county or counties with a population of at least 40,000 and covering at least 5,000 square miles may form a regional transportation planning organization. ([RCW 47.80.020](#))
- T1.5 State agency alternate mobility goals.** State agencies must create a modern workplace in part by encouraging mobility including telework; increase telework from 8.8 percent in 2015 to 9% in 2017; use commute trip reduction survey data as an indicator to measure progress. After 2017 agencies must set their own specific telework and flexible work hours goals. ([Executive Order 16-07](#))
- T1.6 Transit agency coordination.** WSDOT must develop an annual report regarding transit agency coordination in counties with population of 700k or more that

border the Puget Sound (King, Pierce, Snohomish). Transit agencies in these counties must report to WSDOT on their coordination efforts regarding: integrating marketing efforts; aligning fare structures; integrating service planning; coordinating long term planning and capital project implementation; other functions. Regional mobility grant criteria now consider coordination and integration to the criteria awarding grants in these counties. New transit coordination grant program (expires July 2020) available to these counties proposed by two or more agencies with measurable outcomes. ([RCW 35.58.2796](#), [RCW 47.66](#))

- T1.7 King County property tax for transit expenditures.** King County authorized to impose additional property tax of up to 7.5 cents per \$1,000/assessed value. The first 1 cent is dedicated to expanding transit capacity along SR 520. The remainder will go to transit-oriented expenditures. The governor vetoed a section allowing local transit agencies to seek voter approval for a congestion reduction tax of up to \$20 per vehicle. ([RCW 84.52](#), [RCW 82.80](#), [RCW 35.58](#), [RCW 36.57](#))

## **T2. Vehicle Efficiency and Emissions**

- T2.1 State CAFE standards.** Adoption of California vehicle emissions standards ([RCW 70.120A](#))
- T2.2 Volkswagen enforcement action grants.** Under the settlements, money can be invested in projects that replace or repower eligible vehicles, vessels, and equipment with new less-polluting diesel engines, alternate fueled (compressed natural gas, propane, or hybrid) or all-electric engines, and developing charging infrastructure for electric vehicles. The governor designated Ecology to lead Washington's efforts to manage the settlement funds. Ecology's goal for investing the funds is to maximize air pollution reductions in communities affected by harmful diesel exhaust.
- T2.3 Alternative fuel vehicle and hybrid electric vehicle emissions inspection exemption.** Electric, natural gas, and propane vehicles are exempt from state emissions control inspections. Hybrid electric vehicles that obtain a U.S. EPA rating of at least 50 mpg during city driving are also exempt. ([RCW 46.16A.070](#))
- T2.4 Clean fuel performance and vehicle emissions specifications.** The Department of Ecology was required to develop clean-fuel performance and clean-fuel vehicle emissions specifications that are equivalent for all fuel types by 1992. The specifications must consider the requirements of the clean air act and findings of the EPA, other states, API, the gas research institute, and the motor vehicles manufacturers association. ([RCW 70.120.210](#))

### **T3. Electric and Alternative-Fuel Vehicles**

- T3.1 Required use of electricity or biofuels for public fleets.** Required use of alternative fuels (electricity/biofuels) for all public fleets by 2015 ([RCW 43.19.570](#) - Motor vehicle transportation service -- Responsibilities -- Agreements with other agencies -- Alternative fuels and clean technologies; [RCW 19.112.110](#) - Special fuel licensees -- Required sales of biodiesel fuel; [RCW 43.41.130](#) - Duty to establish policies as to widest possible use of gasohol and cost-effective alternative fuels in all motor vehicles owned or operated by any state agency.
- T3.2 Zero-emission vehicle mandate.** Requires automobile manufacturers to sell a certain amount of zero-emission vehicles for credits or purchase the credits from other automakers. Requires medium-duty vehicles to meet California standards as well. Plug-in hybrid vehicles and other transitional vehicles may receive partial credit toward fulfilling ZEV requirements. ([RCW 70.120A](#))
- T3.3 Electric vehicle (EV) tax exemption.** Waives up to \$2,500 of sales tax on new EVs that cost less than \$45,000. Used EVs qualify for a tax exemption of up to \$1,600 on cars under \$30,000. For new vehicles, the maximum amount eligible for the tax exemption before July 31, 2021 is \$25,000, between 2021 and 2023, the maximum amount is \$20,000, and between 2023 and 2025 it is \$15,000. For used vehicles, the maximum amount eligible for the exemption is \$16,000 from 2019 through 2025. Adds a six year tax exemption for businesses that purchase alternative fuel commercial vehicles, electric buses and equipment, etc. Creates a 6 year grant program for fleet electrification of transit agencies and alternative fuel carsharing programs for underserved communities and electric vehicle charging and hydrogen fueling infrastructure, allows investor-owned utilities to provide an incentive rate of return on electric vehicle charging equipment. ([RCW 46.17](#), [RCW 47.04](#), [RCW 47.66](#), [RCW 82.04.4496](#), [RCW 82.08](#), [RCW 82.12](#), [RCW 82.16.0496](#), [RCW 82.29A.125](#))
- T3.4 Tax credits for alternative fuel commercial vehicles.** The purchase of a new alternative fuel commercial vehicle results in a tax credit of up to 50 percent of the incremental cost, based on gross vehicle weight rating. Vehicles may be powered by natural gas, propane, hydrogen, dimethyl ether, or electricity. ([RCW 82.04.4496](#), [RCW 82.16.0496](#))
- T3.5 Tax credits for businesses using clean alternative fuel commercial vehicles.** B&O and Public Utility Tax credits available to businesses using clean alternative fuel commercial vehicles now include vehicles that are exclusively used to provide commercial services and transport passengers if operate within Washington between fixed points or over a regular route. Mileage/manufacturing date limits increased to 450,000 miles and 10 years past manufacturing date. Amount of credit per vehicle quintupled for each weight class. ([RCW 82.04.4496](#), [RCW 82.16.0496](#))

- T3.6 Credits for alternative fuel commercial vehicle acquisitions.** B&O and PUT tax credits for alternative fuel commercial vehicle acquisitions now include credits for leased vehicles equal to the amount of credit claimed for a vehicle acquired outright or 50% of the incremental cost or \$5000 multiplied by a lease reduction factor. ([RCW 82.04.4496](#), [RCW 82.16.0496](#))
- T3.7 Required percentage of clean-fuel vehicles bought under state contract.** At least 50% of all new vehicles purchased by state contract must be clean-fuel vehicles; this percentage shall increase 5% each year. Dedicated clean-fuel vehicles are preferred; if they are not available or would not meet operational needs, conventional vehicles may be converted to clean-fuel or dual-fuel use. ([RCW 43.19.637](#))
- T3.8 Biodiesel requirement for certain agencies.** Effective June 1, 2006, agencies complying with EPA's ultra-low sulfur diesel mandate must use at least 2% biodiesel as a lubricity additive, provided the use is warranted and biodiesel is comparable in performance and cost with other additives. ([RCW 43.19.642](#))
- T3.9 Agency biodiesel use reports.** Beginning July 1, 2006, all state agencies using biodiesel shall file biannual reports with GA documenting their fuel use and describing how any problems encountered were resolved. ([RCW 43.19.642](#))
- T3.10 State agency biodiesel requirement.** Effective June 1, 2009, state agencies as a whole are required to use a minimum of 20% biodiesel to operate diesel-powered vessels, vehicles, and construction equipment. ([RCW 43.19.642](#))
- T3.11 State and local governments must use biofuels or electricity for 100% of needs.** Effective June 1, 2015, all state agencies, to the extent practicable, are required to satisfy 100% of their fuel usage for operating publicly owned vessels, vehicles, and construction equipment from electricity or biofuel. CNG, LNG, or propane may be substituted if electricity or biofuel are not reasonably available. Effective June 1, 2018, all local government subdivisions of the state are required to satisfy all of their fuel usage for operating publicly owned vessels, vehicles, and construction equipment from electricity or biofuel. ([RCW 43.19.648](#))
- T3.12 Combining the needs of multiple recipients for biofuel purchase.** Dept of General Administration (GA) may combine the needs of local governments, including ports, special districts, school districts, and municipal corporations, and contract in advance with public or private producers, suppliers, or other parties for the purchase of biofuels and biofuel blends. ([RCW 43.19.647](#))
- T3.13 Natural gas vehicle taxes and fees.** Natural gas vehicles are subject to the annual license fee in lieu of the motor vehicle fuel tax. A working group was convened to determine a fee that closely represents the average consumption of vehicles by weight and develop a transition plan to move CNG and LNG vehicles from the annual license fee. DOL submitted recommendations to the legislature in 2015 but determined that it would not be cost-effective for the state to transition these

vehicles to the fuel tax structure in the near future due to the small number of natural gas vehicles. ([RCW 82.32.900](#), [RCW 82.38.075](#))

**T3.14 Washington state agency requirement for low-carbon fuel vehicles.** Agencies must consider purchasing low-carbon fuel vehicles or converting conventional vehicles to use low-carbon fuels when financially comparable over the vehicle's useful life. New petroleum-based fuel vehicles must achieve an average fuel economy of 40 miles per gallon for light-duty passenger vehicles or 27 miles per gallon for light-duty vans and SUVs. Fuels include: hydrogen, biomethane, electricity, or natural gas blends of at least 90%. ([RCW 43.19.622](#))

#### **T4. EV Infrastructure**

**T4.1 Electric vehicle charging network. Electric Vehicles: (2009 Legislation [2SHB 1481](#))** requires the installation of charging outlets for electric vehicles, new tax incentives for electric vehicle infrastructure, and the development of an alternative fuels corridor pilot project.

**T4.2 Electric vehicles and utility responsibilities.** Utilities are allowed to recover an additional incentive rate of return on electric vehicle supply equipment. The UTC is required to evaluate policy for EVs going forward. The UTC has advised utilities to adopt a portfolio approach to EV programs and to consult with a broad group of stakeholders, including transportation planning agencies, in developing programs and plans. ([RCW 80.28.360](#), [Filing UE-160799](#)) *See T4.4*

**T4.3 EV ready buildings.** New buildings must be built EV ready. The greater of one parking space or 10 percent of parking spaces rounded up to the next whole number must be provided with wiring to accommodate a 240V EV charger. Electrical rooms serving buildings must be sized to accommodate the potential for electrical equipment and distribution required to serve a minimum of 20 percent of the total parking spaces with 240V EV charging. 10 percent of accessible spots must have EV chargers that can also serve nearby non-accessible spots. ([RCW 19.27.540](#))

**T4.4 UTC Regulation of electric vehicle charging services.** Utilities offering DC Fast Charging as a regulated service must consult with WSDOT to ensure that the proposed charging services are consistent with state transportation planning priorities and must support the department's preferences for siting projects at a minimum of 40-mile intervals, or that add capacity to high-volume areas. Utilities must adopt a suite of EVSE options, or a portfolio approach, to offer services under different business models to promote customer choice. Charging service programs must include an education and outreach component to potential EV drivers in the service territory. Utilities must create a load management component so that EV charging services do not drive the need for new peak capacity resources, and so that non-participating customers receive savings. Portfolios must include a carve-out for low-income customers through direct

services that may reduce transportation related pollution other than a build-out of EVSE. ([Filing UE-160799](#))

## **T5. Low-Carbon Fuels (including Biofuels)**

*Requirements for use of biofuels in fleets appear in subcategory T3.*

- T5.1 Requirements for biodiesel in diesel fuels.** Department of Agriculture content requirements for biodiesel fuel/fuel blended with biodiesel fuel: At least 2% of the total annual diesel sales must be biodiesel by November 30, 2008. At least 5% must be biodiesel when Agriculture determines instate oil seed crushing capacity and feedstocks can satisfy a 3% requirement. ([RCW 19.112.110](#))
- T5.2 Requirements for ethanol in gasoline.** At least 2% of total gasoline sales, measured on a quarterly basis, must be ethanol by December 1, 2008. Ethanol content between 2% and at least 10% may be required if Ecology determines it will not jeopardize air quality standards for ozone pollution, and Agriculture determines instate raw materials are available to support economical production. ([RCW 19.112.120](#))
- T5.3 Repeal of content requirements for biodiesel and ethanol.** Content requirements will be repealed when the diesel supply is at least 10% biodiesel made predominantly from instate feedstocks, and the gasoline supply is at least 20% ethanol made predominantly from instate feedstocks, without jeopardizing air quality standards for ozone pollution. ([RCW 19.112.170](#))
- T5.4 Biofuels B&O tax reduction.** Reduced B&O rate provided for manufacture of wood biomass, alcohol or biodiesel fuels, or biodiesel feedstocks. Reduced rate for biodiesel fuels and feedstocks expired July 1, 2009. ([RCW 82.04.260\(1\) \(e\) & \(f\)](#))
- T5.5 Waste vegetable oil for biodiesel tax exemption.** Sales and use of waste vegetable oil for production of biodiesel for personal use are exempt from retail sales and use taxes. ([RCW 82.08.0205](#), [RCW 82.12.0205](#))
- T5.6 Public Authority contracts for biodiesel.** Public development authorities and conservation districts may contract for crops, produce, sell and distribute biodiesel produced from instate feedstocks, and cellulosic ethanol. Municipal utilities and public utility districts may do the same, and use these fuels to generate power. ([RCW 35.21.465](#), [RCW 35.92.440](#), [RCW 54.04.190](#), [RCW 89.08.570](#))
- T5.7 Renewable diesel counts toward renewable fuel content requirements.** Renewable diesel may now count toward the renewable fuel content requirements in the Motor Fuel Quality Act. Renewable diesel is a diesel substitute produced from nonpetroleum renewable sources. ([RCW 19.112.110](#))

- T5.8 Tax exemption for farm users of biodiesel.** Sales to and use of non-highway biodiesel and biodiesel blends by farm fuel users are exempt from retail sales and use taxes. Fuel used for space or water heating for human habitation not included. ([RCW 82.08.865](#), [RCW 82.12.865](#))
- T5.9 Changes in fossil fuel taxes.** The state use tax exemption for self-produced fuel is narrowed to only include biomass fuels. Refinery fuel gas is 2.889% for 2020 increasing to 3.852% for 2021. Local sales tax does not apply. ([RCW 82.04](#), [RCW 82.08](#), [RCW 82.12](#))
- T5.10 Natural gas sales, use, and PUT tax exemptions.** Natural gas used as a transportation fuel is exempt from the state and local sales, use, and public utility taxes. ([RCW 82.12.022\(6\)](#), [RCW 82.38.030](#), [RCW 82.14.230](#), [RCW 82.16.310](#))
- T5.11 Retail sales tax for machinery and equipment for producing natural gas for transportation.** Natural gas distribution companies may claim an exemption in the form of a quarterly remittance for machinery and equipment used for the production of compressed natural gas or liquefied natural gas for use as a transportation fuel. Expires July 1, 2028. ([RCW 82.08.02565](#))
- T5.12 CNG incentives for utilities.** The UTC shall identify barriers to the development of refueling stations for compressed natural gas and shall develop policies to remove those barriers, including possibly providing rate incentives to encourage natural gas companies to invest in the required infrastructure. ([RCW 80.28.290](#))

## **T6. Transportation System Funding (Including Congestion Pricing/Road Pricing)**

- T6.1 Fuel tax increase and EV fees.** Fuel tax increased by \$0.119 per gallon (gradual increase) - added to Connecting Washington Account. Increase in motor vehicle fuel taxes paid by non-highway users is increased to a total of \$0.349 per gallon until 2031. Weight fees also increased and added into the Multimodal Transportation Fund. Extra \$100 EV fee is expanded to include PHEVs and increased by \$50. Taxes allowed to be imposed by and within the boundary of a regional transit authority with a population of 1.5 million or more if approved by voters. ([RCW 36.57A](#), [RCW 43.135.034](#), [RCW 46.09.520](#), [RCW 46.17](#))
- T6.2 Motor vehicle and special fuel tax consolidated.** Simplified license structure and fuel tax added when fuel enters the state outside the bulk transfer system. Simplifies the statute. Penalty rates unchanged except fines for not filing returns or paying timely taxes. Effective 2015. ([RCW 19.112](#), [RCW 46.68](#), [RCW 47.10](#))
- T6.3 King County temporary congestion charge.** Authorizes King County to impose temporary congestion reduction charge to provide emergency funding for transit service. Charge in effect until 2 years after imposed or June 30, 2014, whichever comes sooner. A charge imposed after the June 2014 date must be approved by a majority vote of the people. ([RCW 82.80](#), [RCW 46.68](#))

## **T7. Freight, Shipping, and Aviation**

**T7.1 Retail sales tax exemption for LNG in marine transportation.** Buyers of liquefied natural gas operating as a private or common carrier by water in interstate or foreign commerce are entitled to a 90 percent exemption from the retail sales tax and associated local sales taxes until July 1, 2028. The exemption is based on the amount of LNG transported and consumed outside this state by the buyer. ([RCW 82.08.0261](#))

## **Tx. Expired/Superseded**

**Tx.1 Anaerobic digester temporary property tax exemption.** Land, buildings and equipment used for anaerobic digestion, manufacturing alcohol, biodiesel and wood biomass fuels, or biodiesel feedstock are exempt from property and leasehold taxes for six years following the date the facility becomes operational. The exemption is not renewable. No claims may be filed after December 31, 2009 for biofuels; December 31, 2012 for digesters. ([RCW 82.29A.135](#), [RCW 84.36.635](#), [RCW 84.36.640](#))

**Tx.2 Tax exemption for alternative fuel vehicles.** New passenger cars, light duty trucks, and medium duty passenger vehicles powered by a clean alternative fuel (natural gas, propane, hydrogen or electricity) are exempt from retail sales tax. Effective January 1, 2009 until January 1, 2011. ([RCW 82.08.809](#))

**Tx.3 Biodiesel and ethanol sales tax exemption.** Sales and use of equipment, and related services or components, used for retail sale of E85 and biodiesel blends of B20 or higher are exempt from retail sales and use taxes. Sales of fuel delivery vehicles, and related services or components, are exempt if at least 75% of the fuel is E85 or biodiesel blend of B20 or higher. Expires July 1, 2015. ([RCW 82.08.955](#), [RCW 82.12.955](#))

**Tx.4 Biofuel B&O tax deduction.** Retailers of biodiesel, E85 and wood biomass fuel eligible for B&O deduction. Biodiesel and E85 deduction expires July 1, 2015. Wood biomass fuel deduction expires July 1, 2009. ([RCW 82.04.4334](#), [RCW 82.04.4335](#))

**Tx.5 Incentive for biofuels refueling network along interstates.** The Green Energy Incentive Account is established within the Energy Freedom Program to provide financial support for projects supporting development of a biofuels refueling network along the interstate corridors. Expires June 30, 2016. ([RCW 43.325.040](#))

**Tx.6 Expedited permitting for renewable fuel improvements.** Infrastructure improvements subject to the State Environmental Policy Act (SEPA) or other license or permit requirements necessary to implement renewable fuel standards must be processed in a defined and efficient manner. Improvements include installation or replacement of storage tanks and pumps, increases in refining and

- blending capacity, efficiency improvements, and modifications to loading racks. Biodiesel or ethanol production facilities are not covered. Expires January 1, 2009. ([RCW 43.21C.232](#))
- Tz.7 Sales tax exemption for alternative fuel vehicles.** Sales tax exemption for alternative fuel vehicles only applies to up to \$32,000 of the vehicles selling price. If lowest price determined by the manufacturer is more than \$42,500 then not exempt from sales tax. Leased vehicles lease payments exempt from sales tax. Expired July 2019. ([RCW 82.08.809](#), [RCW 82.12.809](#))
- Tx.8 Energy Freedom loan fund for bioenergy projects.** State loan fund for bioenergy projects – The Energy Freedom program is established to promote public research and development in bioenergy, and to stimulate the construction of facilities in Washington to generate energy from farm sources or convert organic matter into fuels. [Note: not funded in the 09-11 budget] ([RCW 43.325](#))
- Tx.9 Sales tax exemption for hybrids.** Sales tax exemption for high mileage hybrid vehicles ([RCW 82.08.813](#), [RCW 82.12.813](#))

## Z. Other

### Z1. Climate Adaptation

- Z1.1** Assisting local communities in global warming solution development. The Department of Community, Trade, and Economic Development must: provide local governments with a range of advisory climate change response methodologies, a computer modeling program, and an estimate of GHG reductions by 2009, work with WSDOT to reduce vehicle miles traveled, administer a local government global warming mitigation and adaptation program ending by 2010, provide grants and technical assistance to aid the cities in the program to anticipate and mitigate global warming, and prepare a report of program findings and recommendations to legislature by 2011. ([RCW 36.70A](#))

### Z2. Petroleum Spills & Leakage Response

- Z2.1 Oil spill taxes imposed on pipelines and oil spill contingency plans.** Oil spill response tax and oil spill administration tax imposed on pipelines. By the end of 2019, the Department of Ecology must update contingency plan rules to address situations where oil may sink or submerge in water including quality of oil, environmental factors, method of discharge, and weathering. Ecology must conduct specialized reviews of operations that transfer oils that may sink or submerge and prioritize adding capacity to conduct these inspections. Must

- conduct a report on the vessel traffic and safety in the strait of Juan de Fuca and Puget Sound Area. Every year the first \$200,000 of the oil spill administration tax is allocated to the National Guard for oil spill training and cleanup. ([RCW 82.23B](#), [RCW 88.46](#), [RCW 90.56](#))
- Z2.2 Assessing oil transportation risk and spill response plans.** With regard to oil transportation by rail, state agencies will characterize the risk of accidents, identify regulatory gaps in state and federal rules, assess the risk of Bakken crude compared to other forms of crude, identify data/info gaps that hinder public safety and spill prevention/response, develop spill response plans for impacted counties, identify potential coordinating actions w/other states and BC, estimate costs for state action that will improve public safety and spill prevention/response. ([Directive of the Governor 14-06](#))
- Z2.3 Extension of the Pollution Liability Insurance Agency (PLIA).** PLIA was supposed to expire in 2019, this extends that to 2029. Annual limit of \$15 million per year established for PLIA insurance for cleanup of heating oil tank contamination. ([RCW 43.131.393](#), [RCW 70.149.040](#))
- Z2.4 Expansion of the Pollution Liability Insurance Agency (PLIA).** PLIA expanded to include petroleum storage tank systems identified by Ecology based on risk to health and the environment. PLIA must investigate suspected or confirmed releases and determine whether independent remedial actions meet requirements of the Model Toxics Control Act or if further action required. ([RCW 70.149](#))
- Z2.5 Pollution Liability Insurance Agency (PLIA).** A tax of .3% is imposed on the wholesale value of refined petroleum products (not including crude oil or natural gas) used to fund PLIA accounts. Tax expires July 1, 2020 when PLIA expires. Fee of 1.2 cents per gallon of heating oil imposed on fuel dealers to fund heating oil insurance program. PLIA directed to establish a program to issue grants and revolving loans to owners/operators of underground storage tanks for remediation, upgrades, replacing, or closing a tank. Possession tax on refined petroleum products will reduce from .3 percent to .15 percent in July 2021 and create a new revolving loan and grant account to be spent on PLIA and Department of Health program costs and remedial actions. PLIA underground storage tank reinsurance program and heating oil insurance program extended until 2030. ([RCW 70.148](#), [RCW 82.23A](#))

### **Z3. Environmental Review**

- Z3.1 Promoting the completion of environmental impact statements within 2 years.** Agencies should aim to complete environmental impact statements (EIS) within 24 months of determining that an EIS is needed. For government decisions with a narrower scope than an agency, EIS must be attempted to be completed much faster than 24 months. Every two years Ecology must submit a report about

- the EISs produced during the previous two years by state agencies including average and range of time for completion. ([RCW 43.21C](#))
- Z3.2 NEPA and SEPA process coordination.** WSDOT is directed to coordinate a 2016 workgroup to consolidate/coordinate NEPA and SEPA processes to reduce delays and review time for state transportation projects. WSDOT must provide local governments with a plan to minimize impacts to shoreline ecological functions for projects that address significant public safety risks, but is exempt from obtaining development permit under the Shorelines Management Act in certain cases. ([RCW 36.01](#), [RCW 47.01](#), [RCW 90.58](#))
- Z3.3 Department of Transportation environmental documentation and compliance.** WSDOT must have staff to supervise all environmental documentation and ensure compliance. Requires WSDOT to provide an annual report summarizing violations of environmental permits and regulations. ([RCW 47.01](#))
- Z3.4 Energy consumption and combined heat and power system analysis.** Facilities that must analyze the cost of energy consumption now include critical governmental facilities. Energy-consumption analysis must be conducted as part of a life-cycle cost analysis and must include identification/analysis of critical loads for each energy system and a combined heat and power system feasibility assessment. UTC can authorize recovery of cost of fuel under a power purchasing agreement for the electricity produced by a combined heat and power system. The Department of Ecology must establish permits with emission limits for stationary natural gas engines used in heat and power systems. ([RCW 19.280](#), [RCW 39.35](#))
- Z3.5 Incentivizing environmental planning and review.** Local governments can recover reasonable expenses of preparation of a nonproject environmental impact statement complying with SEPA through funding from private sources, fees, and PERF. This bill outlines how to collect fees relating to conducting SEPA EISs. ([RCW 43.21C](#))
- Z3.6 Wireless service facility exemption from SEPA.** Changes the conditions that allow the siting of wireless service facilities to be exempt from SEPA. Now they are exempt if collocating, removing or replacing transmission equipment that does not: add more than 10% of the height of a structure or 20 feet or add a component to the structure that protrudes more than 20 feet or more than the width of the structure. Exemption only applies if all the steps in a project are categorically exempt and the actions together do not have a likely significant adverse environmental impact. By January 2020, wireless providers granted an exemption must report on the number of permits issued, the number of SEPA exemptions granted, and the total investment amount in wireless service facilities. ([RCW 43.21C.0384](#))

## **Z4. Waste Management**

- Z4.1 Plan to reduce food waste.** Reduce food waste to fight hunger and methane emissions. Adopt a plan to reduce food waste by 50% of 2015 levels. ([RCW 70.93.180](#), [RCW 70.95](#))
- Z4.2 Permitting Anaerobic Digesters from Solid Waste. (2009 Legislation [SB 5797](#))** streamlines permitting requirements to spur renewable energy development from agricultural waste and livestock manure.

## **Z5. Sustainability Planning**

- Z5.1 State agency Sustainability Plans.** Each state agency is encouraged to establish sustainability objectives and prepare a biennial Sustainability Plan to modify the agency's practices in the following areas: resource consumption, vehicle use, purchase of goods and services, and facility construction, operation and maintenance. Plans should be guided by long-term goals including a shift to clean energy for vehicles. ([Executive Order 02-03](#))

## **Z6. Conventional Air Pollutants**

- Z6.1 Pollution control at ports.** Port districts have the authority to offer programs to reduce air pollution from vehicles used in cargo transport to/from district facilities and cargo vessels within the district. Use of district funds for pollution control is a governmental and public function so restrictions relating to condition, rates, and cost recovery do not apply. ([RCW 53.08.040](#))