

2023 Legislative Session Weekly Report CleanTech Alliance January 14, 2023

Week One

On Monday, January 9th, the state legislature kicked off the 2023 105-day session and the first day of the new biennium. Legislators, staff, the third house, and the public have all returned to Olympia, after having operated in a mostly remote environment the last two years. Although this session is operating in an almost normal fashion there are many post-pandemic changes and some aspects of the remote session that are here to stay, including an option for virtual testimony. On the Capital Campus this year offices are restricted by security, preventing lobbyists and the public from stopping by legislative offices without an appointment.

Democrats in both the House and Senate feel that the 2023 election results show that voters in Washington share their values and support their legislative agenda. In a recent op-ed by Senate Majority Leader Andy Billig he stated that "When voters expanded our Democratic majorities this year, validating the progress we've made and the path we're on for the future, they voiced trust in our values and policies that put people first." Democratic priorities this session include gun violence prevention, addressing the Blake decision, housing and homelessness, workforce, and protecting reproductive rights.

While the Republicans are in the minority, they will continue to work on moving their agenda this session which surrounds public safety, homelessness, affordability of living, and education. On Monday, Senate Republican Leader John Braun provided his thoughts on the 2023 session. You can watch that interview here. In general Democrats and Republicans agree on many of the issues facing our state that the legislature needs to address this session like workforce, housing supply and affordability, and childcare – however they have different ideas on how to address those issues.

On Monday, both the <u>House</u> and <u>Senate</u> held their 2023 opening ceremonies. On Tuesday, Governor Jay Inslee presented his State of the State Address in a joint legislative session. Click <u>here</u> to watch. One of the main priorities that Governor Inslee has in his proposed budget is a \$4 billion bond referendum to build affordable housing. Following the address, Assistant Floor Minority Leader Representative Peter Abbarno (R - 20) provided the <u>Republican perspective</u> on the Governor's budget and how they are concerned it does not address the needs for the working families in Washington.

This session legislators must pass a budget for the 2023-25 biennium. While budget writers currently have increased revenue to work with, there are a few uncertainties that will play out this session. The biggest uncertainty is the new capital gains tax the state is currently collecting. The new capital gains tax is expected to generate hundreds of millions of dollars to pay for early learning and childcare; however the tax is currently being challenged in the state Supreme Court. If the Supreme Court strikes down the new tax that would result in a large hole in the budget. Additionally, the Department of Ecology will hold the first of four annual auctions for carbon emissions allowances in February which is expected to earn hundreds of millions for the state. Click here to listen to Senate Ways & Means Committee Chair Sen. Christine Rolfes (D-23, Bainbridge/Kitsap County) and ranking member Sen. Lynda Wilson (R-17, Vancouver) discuss their key priorities for this year's budget.

This week Policy Committee Chairs brought new members up to speed by hosting several work sessions on various topics while Fiscal Committees held hearings on the <u>Governor's proposed budget</u>. As of Friday January 13th, there have been nearly 800 bills introduced. Many high priority bills are scheduled for public hearing next week including middle housing legislation, the WRAP Act, and Nurse staffing.

Important Dates:

Feb 17 - House of Origin Policy Cutoff

Feb 24 – House of Origin Fiscal Cutoff

March 8 – House of Origin Floor Cutoff

March 29 – Opposite House Policy Cutoff

April 4 - Opposite House Fiscal Cutoff

April 12 – Opposite House Floor Cutoff

April 23 - Sine Die

We are continuing to work on finalizing language and introducing the bill on added thermal options for renewable energy credits. We have a meeting on Tuesday, January 24th, with Representative Beth Doglio to discuss further. Additionally, the Senate Environment, Energy and Technology Committee held a work session on <u>Friday, January 13th</u> regarding energy facility siting and transmission reform. Finally, both <u>HB 1216</u> (concerning clean energy siting) and <u>HB 1192</u> (concerning electric power system transmission planning) will be heard in the House Environment & Energy Committee on <u>Thursday</u>, <u>January 19th</u>.

HB 1076 - Encouraging salmon recovery through voluntary stewardship

This legislation, sponsored by Representative Klicker, authorizes counties and cities to include an optional salmon recovery plan under the GMA. On <u>Thursday</u>, <u>January 12</u>, the House Committee on Environment & Energy held a public hearing on this legislation.

Rep. Klicker spoke on his bill and recognized that there are some changes that need to be made to the legislation. Rep. Lekanoff asked how existing salmon recovery plans will work with this and Klicker responded that this is a work in progress. Those in support voiced that they liked it was a voluntary stewardship program. Concerns regarding potential impacts on VSP and more desire to stakeholder this bill to make it more flexible for local government were discussed. An executive session on this bill has yet to be scheduled.

$\underline{HB~1170}/\underline{SB~5093}$ - Improving climate resilience through updates to the state's integrated climate response strategy

This legislation, sponsored by Representative Street, requires DOE to update the Integrated Climate Change Response Strategy by July 2024 and every 4 years after. The House vehicle of this legislation was heard in front of the House Committee on Environment & Energy on https://doi.org/10.1007/jhtml.com/house-to-the-public-hearing-on-Monday, January 16th, at 1:30 PM.

The Senate vehicle of this legislation, sponsored by Senator Rolfes, is scheduled for a public hearing in the Senate Committee on Environment, Energy & Technology on Friday, January 20th, at 8:00 AM.

Senator Kesier spoke to her bill and said that this will be helpful for apprentices and helping train the future of the industry. Other legislators' concerns were that this will become a barrier to obtaining contracts. There is a substitute bill to address L&I concerns already in the works. The bill is currently scheduled for an executive session on Friday. January 20th, at 8:00 AM.

CleanTech Alliance Bill Status & Upcoming Events Report

Upcoming Events

Environment & Energy (House) - HHR C and Virtual JLOB - 1/16 @ 1:30pm

- <u>HB 1170</u> Public Hearing Improving climate resilience through updates to the state's integrated climate response strategy. (Remote Testimony Available).
- HB 1173 Public Hearing Reducing light pollution associated with certain energy infrastructure. (Remote

Testimony Available).

Local Government (House) - HHR E and Virtual JLOB - 1/17 @ 10:30am

• <u>HB 1181</u> - Public Hearing - Improving the state's response to climate change by updating the state's planning framework. (Remote Testimony Available).

Environment, Energy & Technology (Senate) - SHR 1 and Virtual J.A. Cherberg - 1/17 @ 1:30pm

• <u>SB 5154</u> - Public Hearing - Improving Washington's solid waste management outcomes. (Remote Testimony Available).

Environment & Energy (House) - HHR C and Virtual JLOB - 1/17 @ 4:00pm

• <u>HB 1131</u> - Public Hearing - Improving Washington's solid waste management outcomes. (Remote Testimony Available).

Transportation (Senate) - SHR 1 and Virtual J.A. Cherberg - 1/17 @ 4:00pm

• <u>SB 5162</u> - Public Hearing - Making transportation appropriations for the 2023-2025 fiscal biennium. (Remote Testimony Available).

Environment, Energy & Technology (Senate) - SHR 1 and Virtual J.A. Cherberg - 1/18 @ 8:00am

- <u>SB 5165</u> Public Hearing Concerning electric power system transmission planning. (Remote Testimony Available).
- <u>SB 5325</u> Public Hearing Enhancing access to clean fuel for agencies providing public transportation. (Remote Testimony Available).

Transportation (House) - HHR B and Virtual JLOB - 1/18 @ 4:00pm

- <u>HB 1125</u> Public Hearing Making transportation appropriations for the 2023-2025 fiscal biennium. (Remote Testimony Available).
- <u>HB 1126</u> Public Hearing Making supplemental transportation appropriations for the 2021-2023 fiscal biennium. (Remote Testimony Available).

Business, Financial Services, Gaming & Trade (Senate) - SHR 2 and Virtual J.A. Cherberg - 1/19 @ 10:30am

• <u>SB 5091</u> - Public Hearing - Creating and expanding tax incentives for the research, development, production, and sale of hydrogen fuel cells in Washington state. (Remote Testimony Available).

Environment, Energy & Technology (Senate) - SHR 1 and Virtual J.A. Cherberg - 1/20 @ 8:00am

• <u>SB 5093</u> - Public Hearing - Improving climate resilience through updates to the state's integrated climate response strategy. (Remote Testimony Available).

State Government & Elections (Senate) - SHR 2 and Virtual J.A. Cherberg - 1/20 @ 8:00am

• <u>SB 5133</u> - Exec Session - Modifying the responsible bidder criteria for public works projects.

Local Government (House) - HHR E and Virtual JLOB - 1/20 @ 10:30am

 \bullet <u>HB 1181</u> - Exec Session - Improving the state's response to climate change by updating the state's planning framework.

Bill #	Abbrev. Title	Short Description	Status	Sponsor
HB 1076	Salmon voluntary stewardship	Encouraging salmon recovery through voluntary stewardship.	H Env & Energy	Klicker
<u>HB 1125</u> (SB 5162)	Transportation budget	Making transportation appropriations for the 2023-2025 fiscal biennium.	H Transportation	Fey
HB 1126 (SB 5164)	Transportation budget, supp.	Making supplemental transportation appropriations for the 2021-2023 fiscal biennium.	H Transportation	Fey
HB 1131 (SB 5154)	Solid waste management	Improving Washington's solid waste management outcomes.	H Env & Energy	Berry
HB 1140 (SB 5187)	Operating budget	Making 2023-2025 fiscal biennium operating appropriations.	H Approps	Ormsby
HB 1141 (SB 5188)	Operating budget, supp.	Making 2021-2023 fiscal biennium second supplemental operating appropriations.	H Approps	Ormsby
HB 1147 (SB 5200)	Capital budget	Concerning the capital budget.	H Cap Budget	Tharinger
HB 1148 (SB 5201)	State gen. obligation bonds	Concerning state general obligation bonds and related accounts.	H Cap Budget	Tharinger
HB 1170 (SB 5093)	Climate response strategy	Improving climate resilience through updates to the state's integrated climate response strategy.	H Env & Energy	Street
HB 1173	Light pollution	Reducing light pollution associated with certain energy infrastructure.	H Env & Energy	Connors
HB 1181 (SB 5203)	Climate change/planning	Improving the state's response to climate change by updating the state's planning framework.	H Local Govt	Duerr
HB 1282 (SB 5322)	Public building materials	Requiring environmental and labor reporting for public building construction and renovation material.	H Cap Budget	Duerr
SB 5037	Natural gas/energy code	Ensuring that the Washington state energy code may not prohibit the use of natural gas in buildings.	S Environment, E	Wilson
SB 5043	Power plant long-term policy	Recognizing that power plants that comply with the state greenhouse gas emissions performance standard are consistent with Washington's long-term policy for electricity.	S Environment, E	Short
SB 5057	Energy standards/commercial	Creating a work group to evaluate the costs of the state	S Environment, E	Mullet

		energy performance standard for covered commercial		
		buildings.		
SB 5091	Hydrogen fuel cells	Creating and expanding tax incentives for the research,	S Business, Fin	King
		development, production, and sale of hydrogen fuel cells in		
		Washington state.		
		Improving climate resilience		
SB 5093 (HB 1170)	Climate response strategy	through updates to the state's integrated climate response strategy.	S Environment, E	Rolfes
SB 5094	Water system plans/climate	Adding a climate resilience element to water system plans.	S Ag/Water/Natur	Rolfes
SB 5129	Nuclear reactor technology	Planning for advanced nuclear reactor technology in Washington.	S Environment, E	MacEwen
SB 5133	Responsible bidder criteria	Modifying the responsible bidder criteria for public works projects.	S State Govt & E	Keiser
SB 5146	Hydropower	Removing regulatory restrictions on hydropower.	S Environment, E	Short
SB 5154 (HB 1131)	Solid waste management	Improving Washington's solid waste management outcomes.	S Environment, E	Rolfes
SB 5162 (HB 1125)	Transportation budget	Making transportation appropriations for the 2023-2025 fiscal biennium.	S Transportation	Liias
OD E4 C4 CVD	Transportation budget, supp.	Making supplemental	S Transportation	Liias
SB 5164 (HB 1126)		transportation appropriations for the 2021-2023 fiscal biennium.		
SB 5165 (HB 1192)	Electric transm. planning	Concerning electric power system transmission planning.	S Environment, E	Nguyen
SB 5167	EFSEC/alt. energy processing	Eliminating expedited processing of alternative energy resource facilities fueled by solar or wind energy on certain designated lands before the energy facility site evaluation council.	S Environment, E	Boehnke
SB 5168	Energy independence act	Modernizing the energy independence act to avoid regulatory duplication and overlap with other laws.	S Environment, E	Boehnke
SB 5187 (HB 1140)	Operating budget	Making 2023-2025 fiscal biennium operating appropriations.	S Ways & Means	Rolfes
SB 5188 (HB 1141)	Operating budget, supp.	Making 2021-2023 fiscal biennium second supplemental operating appropriations.	S Ways & Means	Rolfes
SB 5201 (HB 1148)	State gen. obligation bonds	Concerning state general obligation bonds and related accounts.	S Ways & Means	Mullet
SB 5312	Clean energy/residential	Creating a residential property assessed clean energy and resiliency program.	S Loc Gov, Land	Lovelett
SB 5322 (HB 1282)	Public building materials	Requiring environmental and labor reporting for public	S State Govt & E	Wellman

		building construction and renovation material.		
<u>SB 5325</u>	Clean fuel/public transport.	Enhancing access to clean fuel for agencies providing public transportation.	S Environment, E	Shewmake
<u>SB 5345</u>	School buildings/energy	Exempting certain public school buildings from the state energy performance standard.	S Environment, E	Schoesler