



2023 Legislative Session Weekly Report

CleanTech Alliance

March 5, 2023

Week Eight

The legislature has now passed the half-way point of the 105-day session 2023 legislation session. This week, legislators have devoted almost all of their time to debating bills on the floor. The deadline for passing bills out of their chamber of origin (House or Senate), is Wednesday, March 8th. This week there were several floor debates that went late into the evening and even into the early hours of the morning. Throughout this part of the legislative process, some bills will die because they are simply not one of the majority party's priorities or they lack adequate votes to bring to the floor. Other bills that are indeed majority caucus priorities will die on the floor calendar because the bills get weighed down with time-consuming amendments. As we approach the March 8th house of origin cut off, other bills will fail to advance because of the lack of time and too many bills moving through the process.

Housing issues continue to be front and center with several bills moving through the process this week. The Senate passed [SB 5466](#) (Lias, D-21) which would encourage transit oriented development. The Senate also passed [SB 5235](#) (Shewmake, D-42) that requires cities and counties to allow for ADUs. The House passed [HB 1337](#) (Gregerson, D-33) that would allow for the construction of ADUs in urban growth areas. The House also passed [HB 1474](#) (Taylor, D-30) which creates the Covenant Homeownership Account to assist individuals that were affected by racially restrictive covenants with first-time home purchasing costs.

Environmental issues have been on the agenda for majority Democrats this week as well. The House passed [HB 1085](#) (Mena, D-29) this week, which seeks to address plastics use by eventually prohibiting hotels from providing small plastic bottles of soap and shampoo, requiring new construction that provides a drinking fountain to provide water bottle refill stations, and prohibiting the sale of expanded or extruded plastic foam overwater structures. Another Rep. Mena bill, [HB 1047](#) passed this week as well. The legislation bans formaldehyde and formaldehyde releasers, PFAS, lead, phthalates, and other chemicals in cosmetics and personal care products by 2025. The Senate passed [SB 5447](#) (Billig, D-3) this week, a bill that among other elements, proposes a B&O and public utilities tax credit for sales and purchases of alternative jet fuel upon notification of a production facility operating in Washington. Governor's request legislation [HB 1216](#) (Fitzgibbon, D-34) passed out of the House on Saturday, March 4th. This legislation seeks to create an Interagency Clean Energy Siting Coordinating Council to be co-chaired by the Department of Ecology and the Department of Commerce.

Labor and workforce issues came into play this week with the passage of [SB 5550](#). Among other items, the bill requires Washington State Ferries to adopt a formal DEI strategy and allows WSF employees to gain maritime credentials and pilotage on the job. After a lengthy debate and a number of proposed amendments, the Senate also passed [SB 5217](#) (Dhingra, D-45), the bill to reinstate L&I's ability to regulate ergonomics. The House passed [HB 1106](#) (Fosse, D-38) which seeks to extend unemployment insurance to employees who quit their job for good cause, including parental lack of access to child care or inability to find care for a vulnerable family member.

Late on Friday night, the Senate debated [SSB 5536](#) (Robinson, D-38) the legislation addressing the Blake Decision. This is one of the most highly anticipated floor debates as reflected by the final vote of 28-21 with 15 democrats voting no on final passage. The bill as it passed the Senate would amend the current drug possession laws by increasing the penalty for possession of a controlled substance to a gross misdemeanor while creating a pretrial diversion program for individuals that complete substance use disorder treatment. [Click here](#) to watch the debate.

On Friday [DOH announced](#) that effective April 3rd healthcare, long-term care, and adult correctional facilities will no longer be required to wear masks. A similar announcement was also made on the same day by the state or Oregon.

On March 20th the Washington State Economic & Revenue Forecast Council will release its revenue forecast that legislators will use to draft their 2023-25 Biennium Operating, Transportation and Capital Budgets. A [preliminary report](#) is available online. Revenue collections since the November forecast are \$89 million (1.1%) above expectations. The report shows that Washington's unemployment rate has increased for a third consecutive month in December. Wages and salaries were lower than expected and housing construction continued to slow in the fourth quarter of 2022 and early 2023.

Following Wednesday's cutoff legislators will head back to committees where the Senate will hear House bills and the House will hear Senate bills. The House will release their budget after the March 20th revenue forecast and the Senate will release their version soon after. Then budget negotiations will begin. Important dates included below.

The CleanTech legislative reception was held on Tuesday, February 28th. Thank you to all who joined us in Olympia and participated.

We are getting ready for budget season which will have a heavy focus on the Clean Energy Fund. We will include any updates in reports as we have them.

As a reminder, we will be working on expanding awareness of the thermal RECs issue and concept during the interim ([HB 1836](#)).

[HB 1589](#) - *Supporting Washington's clean energy economy and transitioning to a clean, affordable, and reliable energy future*

This companion legislation, sponsored by Representative Doglio and Senator Nguyen, is an incentive to reduce climate impacts by switching from fossil fuel-based heating equipment to high-efficiency nonemitting equipment. This bill intends to adopt requirements for large combination utilities to conduct integrated system planning to develop specific actions supporting gas system decarbonization and electrification. This bill prohibits gas companies serving more than 500,000 retail natural gas customers in Washington from extending gas service after June 30, 2023 along with a myriad of other directives for utilities. This week, Representative Doglio held another 2-hour meeting with stakeholders and Representative Ybarra. At the end of the meeting, Representative Doglio voiced recognition that this bill has a lot more work that needs to be done. However, she stated her desire is to move it through the legislative process. The bill was pulled from Rules and placed on second reading following the stakeholder discussion.

[HB 1584](#) - *Planning for advanced nuclear reactor technology in Washington*

This legislation, sponsored by Representative Barnard, works to include the consideration of developing advanced nuclear reactor technology as a cleaner energy source as a guiding principle for the development of the State Energy Strategy. On February 28th, the bill was pulled from Rules and onto the House Floor for deliberation. [ESHB 1584](#) was voted off the floor (91-6) and moves to the Senate for further consideration.

[SB 5447](#) - *Promoting the alternative jet fuel industry in Washington.*

This legislation, Senator Billig in the Senate, is the legislation that works to incentivize the production of sustainable aviation fuel. The bill moves forward through the legislative process after a near unanimous (46-2) vote on March 1st. It has been scheduled for a public hearing in front of the House Committee on Environment and Energy on [March 9th at 8:30 AM](#).

[HB 1216](#) - *Concerning clean energy siting*

This Governor request legislation would create an Interagency Clean Energy Siting Coordinating Council to be co-chaired by the Department of Ecology and the Department of Commerce. The purpose of the council would be to expedite the permitting for clean energy projects. The bill would also establish a definition for clean energy projects “of statewide significance” and require SEPA review to be completed within two years. The House vehicle of this legislation, sponsored by Representative Fitzgibbon, is the version that continues to move through the process this session. On Saturday, March 4th, the bill moved out of the House with a vote of 75-20. It moves to the Senate for further consideration.

[HB 1756](#) - *Supporting clean energy through tax changes that increase revenue to local governments, schools, and impacted communities*

This legislation, sponsored by Representative Ramel, provides a property tax exemption from the state property tax levy for personal property used for the generation of renewable energy, imposes a production excise tax on the nameplate capacity of qualified renewable energy generating systems, and creates the renewable energy local benefit account. Due to this bill being related to the budget, it is not impacted by cutoff like policy bills are. The bill has been rescheduled for executive session from March 3rd to [March 9th](#) in front of the House Committee on Finance at 1:30 PM.

[HB 1192](#) / [SB 5165](#) - *Concerning electric power system transmission planning*

Office of the Governor request companion legislation, sponsored by Representative Duerr and Senator Nguyen, remain alive post house of origin policy cutoff. The House continues to sit in Rules for further consideration. The Senate vehicle of this legislation was passed of the floor with a vote of 36-13. The bill has been referred to the Senate Committee on Environment and Energy where it awaits being scheduled for a public hearing.

[HB 1170](#)/[SB 5093](#) - *Improving climate resilience through updates to the state's integrated climate response strategy*

This agency requested legislation, sponsored by Representative Street, requires DOE to update the Integrated Climate Change Response Strategy by July 2024 and every 4 years after. Both vehicles of this legislation passed through fiscal committees before the cutoff and now sit in Rules awaiting further consideration.

Continue to Monitor for Movement:

[SB 5091](#) - *Creating and expanding tax incentives for the research, development, production, and sale of hydrogen fuel cells in Washington state*

This legislation, sponsored by Senator King, would authorize state business and occupation (B&O) tax incentives for businesses engaged in activities related to hydrogen fuel cell research, development, production, and sale. The bill did not get a public hearing in its fiscal committee and looks unlikely to move forward this legislative session. Unless deemed necessary to implement the budget, this bill is dead this session.

2023 Session Cutoff Calendar

~~January 9, 2023 – First Day of Session~~

~~February 17, 2023 – Policy Committee Cutoff~~

~~February 24, 2023 – Fiscal Committee Cutoff~~

March 8, 2023 - House of Origin Cutoff

March 29, 2023 - Policy Committee Cutoff - Opposite House

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April 4, 2023 - Fiscal Committee Cutoff - Opposite House

April 12, 2023 - Opposite House Cutoff

April 23, 2023 - Sine Die

Upcoming Events Report

Environment & Energy (House) - HHR C and Virtual JLOB - 3/9 @ 8:30am

- ESSB 5447 - Public Hearing - Promoting the alternative jet fuel industry in Washington. (Remote Testimony Available).

Finance (House) - HHR A and Virtual JLOB - 3/9 @ 1:30pm

- HB 1729 - Exec Session - Creating and expanding tax incentives for the research, development, production, and sale of hydrogen fuel products in Washington state.
- HB 1768 - Exec Session - Exempting certain sales of electricity to qualifying green businesses from the public utilities tax.

Ways & Means (Senate) - SHR 4 and Virtual JACB - 3/9 @ 4:00pm

- SSB 5091 - Public Hearing - Creating and expanding tax incentives for the research, development, production, and sale of hydrogen fuel products in Washington state. (Remote Testimony Available).

Environment, Energy & Technology (Senate) - SHR 1 and Virtual J.A. Cherberg - 3/10 @ 8:00am

- E2SHB 1170 - Public Hearing - Improving climate resilience through updates to the state's integrated climate response strategy. (Remote Testimony Available).
- ESHB 1584 - Public Hearing - Planning for advanced nuclear reactor technology in Washington. (Remote Testimony Available). (If measure is referred to committee.)

Bill Status

Bill #	Abbrev. Title	Title	Status	Sponsor
HB 1076	Salmon voluntary stewardship	Encouraging salmon recovery through voluntary stewardship.	H Env & Energy	Klicker
SHB 1094 (SSB 5125)	Future fund program	Creating the Washington future fund program.	H Approps	Stonier
HB 1125 (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
2SHB 1131 (SSB 5154)	Solid waste management	Improving Washington's solid waste management outcomes.	H 2nd Reading	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
E2SHB 1170 (SSB 5093)	Climate response strategy	Improving climate resilience through updates to the state's integrated climate response strategy.	S Environment, En	Street
ESHB 1173	Light pollution	Reducing light pollution associated with certain energy infrastructure.	S Environment, En	Connors
E2SHB 1181 (SSB 5203)	Climate change/planning	Improving the state's response to climate change by updating the state's planning framework.	H Passed 3rd	Duerr
E2SHB 1216 (SSB 5380)	Clean energy siting	Concerning clean energy siting.	H Passed 3rd	Fitzgibbon
SHB 1282 (SSB 5322)	Public building materials	Requiring environmental and labor reporting for public building construction and renovation material.	H 2nd Reading	Duerr
2SHB 1390	District energy systems	Concerning district energy systems.	H Passed 3rd	Ramel
2SHB 1391	Energy in buildings	Concerning energy in buildings.	S Environment, En	Ramel
HB 1416	Consumer-owned utilities	Applying the affected market customer provisions of the Washington clean energy transformation act to nonresidential customers of consumer-owned utilities.	S Environment, En	Doglio
SHB 1427	On-premises energy gen.	Concerning on-premises energy generation.	H 2nd Reading	Mena
2SHB 1433	Energy labeling/residential	Concerning energy labeling of residential buildings.	S Environment, En	Duerr
HB 1505 (ESSB 5447)	Alternative jet fuel	Promoting the alternative jet fuel industry in Washington.	H Env & Energy	Slatter
HB 1509	Community solar	Concerning fair access to community solar.	H Env & Energy	Hackney
HB 1574	Methane/agriculture	Supporting Washington agriculture by capturing methane and reducing greenhouse gas emissions.	H Ag&Nr	Rule
ESHB 1584	Nuclear reactor technology	Planning for advanced nuclear reactor technology in Washington.	H Passed 3rd	Barnard
SHB 1589 (SSB 5562)	Clean energy	Supporting Washington's clean energy economy and transitioning to a clean, affordable, and reliable energy future.	H 2nd Reading	Doglio
HB 1619	Renewable energy resources	Incentivizing development and acquisition of renewable energy resources.	H Env & Energy	Fey
HB 1659	Carbon market prices	Preventing carbon market price manipulation.	H Env & Energy	Dye

HB 1729	Hydrogen fuel products	Creating and expanding tax incentives for the research, development, production, and sale of hydrogen fuel products in Washington state.	H Finance	Abbarno
HB 1768	Green businesses/utility tax	Exempting certain sales of electricity to qualifying green businesses from the public utilities tax.	H Finance	Shavers
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
SSB 5057	Energy standards/commercial	Creating a work group to evaluate the costs of the state energy performance standard for covered commercial buildings.	S 2nd Reading	Mullet
SSB 5091	Hydrogen fuel products	Creating and expanding tax incentives for the research, development, production, and sale of hydrogen fuel products in Washington state.	S Ways & Means	King
SSB 5093 (E2SHB 1170)	Climate response strategy	Improving climate resilience through updates to the state's integrated climate response strategy.	S Rules 2	Rolfes
SSB 5094	Water system plans/climate	Adding a climate resilience element to water system plans.	S 2nd Reading	Rolfes
SSB 5125 (SHB 1094)	Future fund program	Creating the Washington future fund program.	S Ways & Means	Trudeau
SB 5129	Nuclear reactor technology	Planning for advanced nuclear reactor technology in Washington.	S 2nd Reading	MacEwen
SSB 5133	Responsible bidder criteria	Modifying the responsible bidder criteria for public works projects.	S Ways & Means	Keiser
SB 5146	Hydropower	Removing regulatory restrictions on hydropower.	S Environment, E	Short
SSB 5154 (2SHB 1131)	Solid waste management	Improving Washington's solid waste management outcomes.	S Ways & Means	Rolfes
SB 5162 (HB 1125)	Transportation budget	Making transportation appropriations for the 2023-2025 fiscal biennium.	S Transportation	Liias
SB 5164 (HB 1126)	Transportation budget, supp.	Making supplemental transportation appropriations for the 2021-2023 fiscal biennium.	S Transportation	Liias
SSB 5165 (SHB 1192)	Electric transm. planning	Concerning electric power system transmission planning.	H Env & Energy	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
SSB 5322 (SHB 1282)	Public building materials	Requiring environmental and labor reporting for public building construction and renovation material.	S Ways & Means	Wellman
SB 5325	Clean fuel/public transport.	Enhancing access to clean fuel for agencies providing public transportation.	S Environment, E	Shewmake
SB 5345	School buildings/energy	Exempting certain public school buildings from the state energy performance standard.	S Environment, E	Schoesler
SSB 5380 (E2SHB 1216)	Clean energy siting	Concerning clean energy siting.	S Ways & Means	Nguyen
ESSB 5447 (HB 1505)	Alternative jet fuel	Promoting the alternative jet fuel industry in Washington.	H Env & Energy	Billig
SSB 5562 (SHB 1589)	Clean energy	Supporting Washington's clean energy economy and transitioning to a clean, affordable, and reliable energy future.	S Ways & Means	Nguyen
SB 5620	EV charging/line extensions	Concerning line extension tariffs for electric vehicle charging infrastructure.	S Transportation	Liias
SB 5659	Gas companies/renewable res.	Incentivizing gas companies to develop and acquire renewable energy resources.	S Environment, E	Boehnke