



## 2023 Legislative Session Weekly Report

### CleanTech Alliance

### March 10, 2023

#### Week Nine

This week the legislature cleared a major hurdle, the House of Origin cutoff. Wednesday, March 8th was the deadline for bills to move out of the chamber (House or Senate) in which they were introduced. This year, 2086 bills have been introduced, and 559 made it out of their respective chambers. With so many priority bills on the floor calendar, legislators worked late nights and weekends to get as much done as they could before Wednesday's cutoff. Many controversial proposals were debated both in caucus and on the floor, which took up significant time, leaving several bills to die for the session. There are many reasons why bills fail to advance at this point in session. Some bills fail to make it past the cutoff simply because they are not a priority or they lack enough votes to bring the bill to the floor. Some majority caucus priority bills may die because they get weighed down with time-consuming amendments. Others fail to move forward because of the lack of time and the number of bills moving through the process.

It is important to note that no bill is really dead until the end of session as issues can be resurrected in various ways. Also bills deemed necessary to implement the budget, including all revenue proposals, are not subject to cutoffs. Finally, as a reminder the Washington state legislature works on a two-year biennium and therefore bills that do not pass this year will be automatically reintroduced next session.

Early this week the House passed high profile legislation [HB 1110](#) (Bateman, D-22) which aims to address the "missing middle" by allowing more diverse housing options like duplexes, triplexes, fourplexes, etc.. in residential neighborhoods that meet certain criteria. The bill passed with a strong bipartisan vote of 75-21. The House also passed [HB 1167](#) (Duerr, D-1) which would make it easier to build middle housing by streamlining processes at the local level. These are two bills in addition to a package of bills that address affordable housing that made it past the cut off and are still alive this session.

Environmental issues continue to be on the agenda for majority Democrats this week. The House passed [HB 1589](#) (Doglio, D-22) which works to help Puget Sound Energy with decarbonization efforts by moving away from fossil fuels. The House also passed [HB 1789](#) (Reeves, D-30) which would give the Department of Natural Resources the ability to sell carbon credits on Washington state lands. Last week [HB 1216](#) (Fitzgibbon, D-34) passed out of the House. 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.

This week the Senate took action on a handful of healthcare related bills including the highly anticipated legislation related to nurse staffing ratios. The nurse staffing bill, [SB 5236](#) (Robinson, D-38), was brought to the Senate floor and passed out with a vote of 35-13. The body passed a striking amendment that was negotiated by hospitals and labor. To read more about this issue click [here](#) .The Senate also passed [SB 5454](#) (Cleveland, D-49), a bill that would recognize post-traumatic stress disorder for nurses. On Wednesday the Senate passed [SB 5103](#) (Muzzall, R-10)

which provides financial relief to hospitals for Medicaid patients who cannot be discharged while waiting for acceptance to an acute care facility.

Both chambers discussed public safety issues this week including vehicular pursuits and gun violence. The House passed [HB 1143](#) (Berry, D-36) which requires gun purchasers to take a gun safety class, obtain a background check, and wait 10 days after the background check is run before they can obtain their gun. The 5:00pm bill in the House was [HB 1240](#) (Peterson, D-21) which prohibits the manufacture, importation, distribution, and sale of assault weapons. On Tuesday House Republicans made a motion to bring [HB 1363](#) (Rule, D-42), legislation related to vehicular pursuits, to the floor for a vote. The bill would amend current law which was passed two years ago, that states a police officer may only initiate a pursuit if the officer has reasonable suspicion of a DUI, or probable cause for a violent crime or sex crime. The motion in the House to bring the bill to the floor for a vote failed. On Wednesday the Senate made a similar motion to pull the companion [SB 5352](#) (Lovick, D-44) bill from the Senate Law and Justice Committee to the floor for a vote. The motion was successful and the body ultimately passed the legislation 26-23. The bill as it passed the Senate would allow a police officer to engage in a pursuit if they have "reasonable suspicion" a person has committed or is committing a violent or sexual crime, domestic violence cases, escape, and DUI.

On Tuesday, results from the state's first carbon auction, held on February 28th, were released. Click [here](#) to read a summary of the first auction. Carbon credits were sold at \$48.50 per allowance, with over 6 million allowances sold the state raised around \$300 million in the first auction. Three more auctions will be held by Ecology this year. Click [here](#) to read what Capital Press has to say about the most recent carbon credit sale.

The remainder of the week following Wednesday's cutoff was filled with committee hearings. The Senate is holding hearings on bills that passed the House and the House is hearing bills that passed the Senate. This will continue until the opposite house policy cutoff on March 29th. 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. On February 28th, Washington held its first cap-and-invest auction of all 6.18 million carbon output allowances. Information from the auction is available in this [Auction Summary Report](#). The full news release is available [here](#).

Prior to cutoff, Puget Sound Energy's decarbonization legislation passed out of the House and the Sustainable Aviation Fuel legislation passed out of the Senate. The decarbonization legislation (the PSE bill) does have a lot of stakeholder voices who are in opposition to this legislation. We expect ongoing conversations around this issue as it moves through the Senate. Budget season is going to come quicker than we know towards the end of this month. There will be a heavy focus on the Clean Energy Fund and we will include updates in reports as we have them.

### **[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 bill continues to be controversial though it did pass out of the House (52-44) on Monday, March 6th. Strong opposition is expected as work continues in the Senate, with the first public hearing in the Senate Environment, Energy & Technology Committee scheduled for [Wednesday, March 15th](#).

### **[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). This bill had a public hearing scheduled on [Friday, March 10th, at 8:00 AM.](#)

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

This legislation, sponsored by Senator Billig, requires DOE to allow one or more pathways for SAF no later than 12/31/2023, creates a B&O tax rate of 0.275% of the manufacturing and wholesaling of alternative jet fuels, and establishes a B&O and public utilities tax credit for certain sales and purchases of alternative jet fuel. The bill passed out of the Senate with a vote of 46-2. The bill is scheduled for a public hearing in the House Environment & Energy Committee on [Monday, March 13th at 1:30pm.](#)

#### **[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 bill passed out of the House on Saturday, March 4th with a strong bipartisan vote. It will now head to the Senate for further consideration. A hearing in the Senate Environment, Energy & Technology Committee is scheduled for [Wednesday, March 15th.](#)

#### **[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. Executive action was taken in the House Committee on Finance on [March 9th.](#)

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

Office of the Governor request legislation, sponsored by Senator Nguyen, was voted off the senate floor with a vote of 36-13. The bill has been referred to the Senate Committee on Environment and Energy. It is scheduled for a public hearing on [Monday, March 13th,](#) at 1:30 PM.

#### **[HB 1170](#) - *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. The bill was voted off the House floor on February 27th with a vote of 82-14. The bill had a public hearing in front of the Senate Committee on Environment, Energy & Technology on [Friday, March 10th,](#) at 8:00 AM. The bill has yet to be scheduled for executive session.

#### **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.

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

#### 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

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 - 3/13 @ 1:30pm**

- SSB 5165 - Public Hearing - Concerning electric power system transmission planning. (Remote Testimony Available).
- ESSB 5447 - Public Hearing - Promoting the alternative jet fuel industry in Washington. (Remote Testimony Available).

### **Local Government, Land Use & Tribal Affairs (Senate) - SHR 3 and Virtual JACB - 3/14 @ 8:00am**

- E2SHB 1181 - 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 - 3/15 @ 8:00am**

- E2SHB 1216 - Public Hearing - Concerning clean energy siting. (Remote Testimony Available).
- ESHB 1282 - Public Hearing - Requiring environmental and labor reporting for public building construction and renovation material. (Remote Testimony Available).
- ESHB 1589 - Public Hearing - Supporting Washington's clean energy economy and transitioning to a clean, affordable, and reliable energy future. (Remote Testimony Available).

### **Local Government, Land Use & Tribal Affairs (Senate) - SHR 3 and Virtual JACB - 3/16 @ 10:30am**

- E2SHB 1181 - Exec Session - Improving the state's response to climate change by updating the state's planning framework.

### **Environment, Energy & Technology (Senate) - SHR 1 and Virtual J.A. Cherberg - 3/17 @ 8:00am**

- ESHB 1173 - Public Hearing - Reducing light pollution associated with certain energy infrastructure. (Remote Testimony Available).

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- HB 1416 - Public Hearing - Applying the affected market customer provisions of the Washington clean energy transformation act to nonresidential customers of consumer-owned utilities. (Remote Testimony Available).

## Bill Status

Bill #	Abbrev. Title	Title	Status	Sponsor
<a href="#">HB 1076</a>	Salmon voluntary stewardship	Encouraging salmon recovery through voluntary stewardship.	H Env & Energy	Klicker
<a href="#">SHB 1094</a> (SSB 5125)	Future fund program	Creating the Washington future fund program.	H Approps	Stonier
<a href="#">HB 1125</a> (SB 5162)	Transportation budget	Making transportation appropriations for the 2023-2025 fiscal biennium.	H Transportation	Fey
<a href="#">HB 1126</a> (SB 5164)	Transportation budget, supp.	Making supplemental transportation appropriations for the 2021-2023 fiscal biennium.	H Transportation	Fey
<a href="#">2SHB 1131</a> (SSB 5154)	Solid waste management	Improving Washington's solid waste management outcomes.	H 2nd Reading	Berry
<a href="#">HB 1140</a> (SB 5187)	Operating budget	Making 2023-2025 fiscal biennium operating appropriations.	H Approps	Ormsby
<a href="#">HB 1141</a> (SB 5188)	Operating budget, supp.	Making 2021-2023 fiscal biennium second supplemental operating appropriations.	H Approps	Ormsby
<a href="#">HB 1147</a> (SB 5200)	Capital budget	Concerning the capital budget.	H Cap Budget	Tharinger
<a href="#">HB 1148</a> (SB 5201)	State gen. obligation bonds	Concerning state general obligation bonds and related accounts.	H Cap Budget	Tharinger
<a href="#">E2SHB 1170</a> (SSB 5093)	Climate response strategy	Improving climate resilience through updates to the state's integrated climate response strategy.	S Environment, En	Street
<a href="#">ESHB 1173</a>	Light pollution	Reducing light pollution associated with certain energy infrastructure.	S Environment, E	Connors
<a href="#">E2SHB 1181</a> (SSB 5203)	Climate change/planning	Improving the state's response to climate change by updating the state's planning framework.	S Loc Gov, Land	Duerr
<a href="#">E2SHB 1216</a> (SSB 5380)	Clean energy siting	Concerning clean energy siting.	S Environment, En	Fitzgibbon
<a href="#">ESHB 1282</a> (SSB 5322)	Public building materials	Requiring environmental and labor reporting for public building construction and renovation material.	S Environment, En	Duerr
<a href="#">2SHB 1390</a>	District energy systems	Concerning district energy systems.	S Environment, En	Ramel
<a href="#">2SHB 1391</a>	Energy in buildings	Concerning energy in buildings.	S Environment, E	Ramel
<a href="#">HB 1416</a>	Consumer-owned utilities	Applying the affected market customer provisions of the Washington clean energy	S Environment, En	Doglio

		transformation act to nonresidential customers of consumer-owned utilities.		
<a href="#">SHB 1427</a>	On-premises energy gen.	Concerning on-premises energy generation.	H 2nd Reading	Mena
<a href="#">2SHB 1433</a>	Energy labeling/residential	Concerning energy labeling of residential buildings.	S Environment, En	Duerr
<a href="#">HB 1505</a> (ESSB 5447)	Alternative jet fuel	Promoting the alternative jet fuel industry in Washington.	H Env & Energy	Slatter
<a href="#">HB 1509</a>	Community solar	Concerning fair access to community solar.	H Env & Energy	Hackney
<a href="#">HB 1574</a>	Methane/agriculture	Supporting Washington agriculture by capturing methane and reducing greenhouse gas emissions.	H Ag&Nr	Rule
<a href="#">ESHB 1584</a>	Nuclear reactor technology	Planning for advanced nuclear reactor technology in Washington.	S Environment, E	Barnard
<a href="#">ESHB 1589</a> (SSB 5562)	Clean energy	Supporting Washington's clean energy economy and transitioning to a clean, affordable, and reliable energy future.	S Environment, En	Doglio
<a href="#">HB 1619</a>	Renewable energy resources	Incentivizing development and acquisition of renewable energy resources.	H Env & Energy	Fey
<a href="#">HB 1659</a>	Carbon market prices	Preventing carbon market price manipulation.	H Env & Energy	Dye
<a href="#">SHB 1729</a>	Hydrogen fuel products	Creating and expanding tax incentives for the research, development, deployment, production, and sale of hydrogen fuel products in Washington state.	H FINDPS	Abbarno
<a href="#">HB 1768</a>	Green businesses/utility tax	Exempting certain sales of electricity to qualifying green businesses from the public utilities tax.	H Exec Action	Shavers
<a href="#">SB 5037</a>	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
<a href="#">SB 5043</a>	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
<a href="#">SSB 5057</a>	Energy standards/commercial	Creating a work group to evaluate the costs of the state energy performance standard for covered commercial buildings.	S Rules X	Mullet
<a href="#">SSB 5091</a>	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
<a href="#">SSB 5093</a> (E2SHB 1170)	Climate response strategy	Improving climate resilience through updates to the state's integrated climate response strategy.	S Rules X	Rolfes
<a href="#">SSB 5094</a>	Water system plans/climate	Adding a climate resilience element to water system plans.	H Env & Energy	Rolfes
<a href="#">SSB 5125</a> (SHB 1094)	Future fund program	Creating the Washington future fund program.	S Ways & Means	Trudeau

<a href="#">SB 5129</a>	Nuclear reactor technology	Planning for advanced nuclear reactor technology in Washington.	S Rules X	MacEwen
<a href="#">SSB 5133</a>	Responsible bidder criteria	Modifying the responsible bidder criteria for public works projects.	S Ways & Means	Keiser
<a href="#">SB 5146</a>	Hydropower	Removing regulatory restrictions on hydropower.	S Environment, E	Short
<a href="#">SSB 5154</a> (2SHB 1131)	Solid waste management	Improving Washington's solid waste management outcomes.	S Ways & Means	Rolfes
<a href="#">SB 5162</a> (HB 1125)	Transportation budget	Making transportation appropriations for the 2023-2025 fiscal biennium.	S Transportation	Liias
<a href="#">SB 5164</a> (HB 1126)	Transportation budget, supp.	Making supplemental transportation appropriations for the 2021-2023 fiscal biennium.	S Transportation	Liias
<a href="#">SSB 5165</a> (SHB 1192)	Electric transm. planning	Concerning electric power system transmission planning.	H Env & Energy	Nguyen
<a href="#">SB 5167</a>	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
<a href="#">SB 5168</a>	Energy independence act	Modernizing the energy independence act to avoid regulatory duplication and overlap with other laws.	S Environment, E	Boehnke
<a href="#">SB 5187</a> (HB 1140)	Operating budget	Making 2023-2025 fiscal biennium operating appropriations.	S Ways & Means	Rolfes
<a href="#">SB 5188</a> (HB 1141)	Operating budget, supp.	Making 2021-2023 fiscal biennium second supplemental operating appropriations.	S Ways & Means	Rolfes
<a href="#">SB 5201</a> (HB 1148)	State gen. obligation bonds	Concerning state general obligation bonds and related accounts.	S Ways & Means	Mullet
<a href="#">SB 5312</a>	Clean energy/residential	Creating a residential property assessed clean energy and resiliency program.	S Loc Gov, Land	Lovelett
<a href="#">SSB 5322</a> (ESHB 1282)	Public building materials	Requiring environmental and labor reporting for public building construction and renovation material.	S Ways & Means	Wellman
<a href="#">SB 5325</a>	Clean fuel/public transport.	Enhancing access to clean fuel for agencies providing public transportation.	S Environment, E	Shewmake
<a href="#">SB 5345</a>	School buildings/energy	Exempting certain public school buildings from the state energy performance standard.	S Environment, E	Schoesler
<a href="#">SSB 5380</a> (E2SHB 1216)	Clean energy siting	Concerning clean energy siting.	S Ways & Means	Nguyen
<a href="#">ESSB 5447</a> (HB 1505)	Alternative jet fuel	Promoting the alternative jet fuel industry in Washington.	H Env & Energy	Billig
<a href="#">SSB 5562</a> (ESHB 1589)	Clean energy	Supporting Washington's clean energy economy and transitioning to a clean, affordable, and reliable energy future.	S Ways & Means	Nguyen
<a href="#">SB 5620</a>	EV charging/line extensions	Concerning line extension tariffs for electric vehicle charging infrastructure.	S Transportation	Liias

<a href="#">SB 5659</a>	Gas companies/renewable res.	Incentivizing gas companies to develop and acquire renewable energy resources.	S Environment, E	Boehnke
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