



2023 Legislative Session Weekly Report

CleanTech Alliance

April 1, 2023

Week Twelve

Week 12 has come to a close and we are now in the final stretch of the 2023 105-day legislative session. Wednesday, March 29th was the Opposite House Policy Committee Cutoff where all bills that passed their chamber of origin needed to be passed by the opposite chamber policy committee in order to stay alive this session. Many priority bills made it through the cutoff and are still in play including middle housing, vehicular pursuits, clean energy siting, transit oriented development, and legislation addressing the Blake decision. As we are entering the final weeks of the legislative session the focus has turned largely on the 2023-25 biennial budgets which the legislature is required to pass before adjourning this session.

Last week the Senate released its [Capital](#) and [Operating](#) Budget proposals for the 2023-2025 biennium. This week The House released its [Capital](#), [Operating](#), and [Transportation](#) Budget Proposals on Monday and the Senate released its [Transportation](#) Budget Proposal on Wednesday. Click [here](#) to watch the House Democratic Caucus Transportation Budget Rollout, [here](#) for the Democratic Caucus Operating Budget Rollout, For more insight on Republican's perspective on the budgets, click [here](#) to see the Republican Leadership Media Availability.

The \$69.5 billion [House Operating Budget Proposal](#) leaves about \$3.2 billion in reserves and does not rely on any new taxes, however there are still tax proposals that are alive including a bill that would increase real estate excise taxes. The proposal utilizes revenue from the capital gains tax that went into effect this year and was recently ruled as constitutional in Washington. The most notable differences between the House and Senate operating budgets is that the House's budget considers Gov. Inslee's proposed \$4 billion housing referendum to fund affordable housing and the way the House uses the CCA funds. Notable spending in the House Operating Budget Proposal include \$688 million for rate increase for long-term care and disability providers, \$362 million for public health, \$128 million for emergency food assistance, \$179 million to increase supports for special education students, and \$150 million towards the covenant homeownership program. The House Appropriations Committee held a public hearing on their proposed budget on [March 27th](#), and it passed out on [March 29th](#).

The \$8.3 billion bi-partisan [House Capital Budget proposal](#) would set a new state record for construction funding. The House proposal includes \$4.6 billion in new state bonds, \$3.16 billion in federal, local and dedicated state funds and \$525 million in CCA revenue. The proposal leaves \$160 million reserved for the 2024 supplemental budget. Notable spending includes \$704 million for affordable housing and home upgrades, \$893 million for behavioral health, \$806 million for k-12 construction, and \$129 million for local community projects. A public hearing was held in the House Committee on Capital Budget on [March 28th](#), and it passed out of committee on [March 30th](#).

The House Democrats rolled out a proposed second supplemental transportation budget for the 2021-23 biennium and a new [House Transportation Budget proposal](#) for the 2023-25 biennium providing spending authority of \$10.3 billion and \$13.6 billion, respectively. The proposals will be used to implement last year's Move Ahead Washington package as well as projects from the 2015 Connecting Washington package. Highlighted investments include \$5.67

billion for highway improvements and preservation, \$1.26 billion for the ferry system, \$382 million for transit, \$161 million for active transportation, and \$70 million for alternative fuel and electrification. The House Transportation Committee held a public hearing on [March 27th](#) on their budget, and it passed out on [March 29th](#).

On Wednesday the Senate rolled out their 2023-25 [Transportation Budget proposal](#) which included \$12.9 billion spending across the state. The Senate also released [a second supplemental transportation budget](#) for the 2021-23 biennium totaling \$10.6 billion in spending. The \$12.9 transportation budget proposal for the 2023-25 includes \$7 billion for capital programs including \$178.8 million in bike/ped projects, \$418 million for transit projects, and \$1.4 billion in state highway projects. The proposal includes \$5.9 billion for operating programs including \$38.8 million on the Washington State Patrol, \$14.6 million for the DOL, \$8 million for homeless encampments, \$6.6 million for the Tacoma Narrows Bridge, \$5 million for ADA safety, \$9.9 million for Washington State Ferries, and \$9.4 million for clean energy charging. A public hearing was held in front of the Senate Transportation Committee on [March 30th](#), and it is up for executive action on [April 3rd](#).

Both Chambers will continue to work their respective budget proposals through the process as negotiations between the two bodies take place. This weekend and early next week fiscal committees will work to pass bills in advance of the April 4th Opposite House Fiscal Committee Cutoff. Following Tuesday's cutoff legislators will head to the floor to pass bills. You can view a full list of bills that have already passed the legislature and have been signed by the Governor [here](#).

We continue to work on pushing forward the House version of the Clean Energy Fund although in the Senate there is both capital budget and general funding for Clean Energy Fund projects. We will see how budgetary negotiations go. There is funding in the House Operating Budget for economic development grants; we will be working to get these into the final budget.

[SB 5759](#) - *Establishing the development of renewable energy for Washington revolving loan program and account*

This legislation, brought forth by Senators MacEwen and Nguyen, works to carve out a spot to add funding to renewable energy like Electric Vehicles, a buildout of nuclear reactor technology, and other things. [Click here](#) to read bill language. The bill has been referred to the Senate Environment & Energy Committee however a public hearing has yet to be scheduled.

[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. Executive action was taken on [March 28th](#) in front of the Senate Committee on Environment, Energy & Technology. Of the seven proposed amendments, only two were adopted ([Wellman's amendment](#) and [Nguyen's amendment](#)). The [new bill](#) passed out of committee on party lines and now sits in Rules for further consideration.

[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. Executive action was taken on [March 24th](#) and it was voted out of committee. The bill continues to sit in Rules.

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

The bill passed out of the Senate, and was heard in the House Environment & Energy Committee on [Monday, March 13th at 1:30pm](#). The bill passed out of committee on [Tuesday, March 21st](#). It had a hearing in the House Finance Committee on [Tuesday, March 28th](#), and passed out of committee in its [amended form](#) unanimously on [Friday, March 31st](#). It will now move to House Rules.

[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. A public hearing was held in Senate Ways & Means on Friday, [March 31st](#), and is currently scheduled for executive session on [Monday, April 3rd](#).

[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. This bill had a public hearing was held in Senate Ways & Means on Friday, [March 31st](#), and is currently scheduled for executive session on [Monday, April 3rd](#).

[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. Executive action was taken on [March 21st](#) and the bill was passed out of committee on party lines. The bill has been referred to Rules where it awaits being pulled to the floor calendar for further consideration.

[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. Executive action was taken by the Senate Committee on Environment, Energy & Technology on [March 21st](#) and the bill was voted out on party lines. This bill had a public hearing was held in Senate Ways & Means on Friday, [March 31st](#), and is currently scheduled for executive session on [Monday, April 3rd](#).

[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. We kept this bill in the “monitor” section due to potential movement. The bill was heard in the Senate Ways & Means Committee on [March 9th](#) and executive session is scheduled for [Tuesday, April 4th](#).

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

Ways & Means (Senate) - SHR 4 and Virtual JACB - 4/3 @ 10:00am

- E2SHB 1170 - Exec Session - Improving climate resilience through updates to the state's integrated climate response strategy.
- E2SHB 1181 - Exec Session - Improving the state's response to climate change by updating the state's planning framework.
- E2SHB 1216 - Exec Session - Concerning clean energy siting.

Transportation (Senate) - SHR 1 and Virtual J.A. Cherberg - 4/3 @ 10:30am

- SB 5162 - Exec Session - Making transportation appropriations for the 2023-2025 fiscal biennium.

Ways & Means (Senate) - SHR 4 and Virtual JACB - 4/4 @ 10:00am

- ESHB 1282 - Exec Session - Requiring environmental and labor reporting for public building construction and renovation material.
- 2SHB 1390 - Exec Session - Concerning district energy systems.
- SSB 5091 - Exec Session - Creating and expanding tax incentives for the research, development, production, and sale of hydrogen fuel products in Washington state.

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
SHB 1125 (SB 5162)	Transportation budget	Making transportation appropriations for the 2021-2023 fiscal biennium and the 2023-2025 fiscal biennium.	H 2nd Reading	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 Rules C	Berry
HB 1140 (ESSB 5187)	Operating budget	Making 2023-2025 fiscal biennium operating appropriations.	H Exec Action	Ormsby
HB 1141 (SB 5188)	Operating budget, supp.	Making 2021-2023 fiscal biennium second supplemental operating appropriations.	H Approps	Ormsby

SHB 1147 (ESSB 5200)	Capital budget	Concerning the capital budget.	H CBDPS	Tharinger
SHB 1148 (SSB 5201)	State gen. obligation bonds	Concerning state general obligation bonds and related accounts.	H CBDPS	Tharinger
E2SHB 1170 (SSB 5093)	Climate response strategy	Improving climate resilience through updates to the state's integrated climate response strategy.	S Ways & Means	Street
ESHB 1173	Light pollution	Reducing light pollution associated with certain energy infrastructure.	S 2nd Reading	Connors
E2SHB 1181 (SSB 5203)	Climate change/planning	Improving the state's response to climate change by updating the state's planning framework.	S Ways & Means	Duerr
E2SHB 1216 (SSB 5380)	Clean energy siting	Concerning clean energy siting.	S Ways & Means	Fitzgibbon
ESHB 1282 (SSB 5322)	Public building materials	Requiring environmental and labor reporting for public building construction and renovation material.	S Ways & Means	Duerr
2SHB 1390	District energy systems	Concerning district energy systems.	S Ways & Means	Ramel
2SHB 1391	Energy in buildings	Concerning energy in buildings.	S Environment, E	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 Rules 2	Doglio
SHB 1427	On-premises energy gen.	Concerning on-premises energy generation.	H Rules C	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.	S Rules 2	Barnard
ESHB 1589 (SSB 5562)	Clean energy	Supporting Washington's clean energy economy and transitioning to a clean, affordable, and reliable energy future.	S Rules 2	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
SHB 1729	Hydrogen fuel products	Creating and expanding tax incentives for the research, development, deployment, production, and sale of hydrogen fuel products in Washington state.	S Environment, En	Abbarno

SHB 1768	Green businesses/utility tax	Exempting certain sales of electricity to qualifying green businesses from the public utilities tax.	S Environment, En	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 Rules X	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 X	Rolfes
SSB 5094	Water system plans/climate	Adding a climate resilience element to water system plans.	H Approps	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 Rules X	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 (SHB 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 Rules R	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
ESSB 5187 (HB 1140)	Operating budget	Making 2023-2025 fiscal biennium operating appropriations and 2021-2023 fiscal biennium second supplemental operating appropriations.	H 2nd Reading	Rolfes

SB 5188 (HB 1141)	Operating budget, supp.	Making 2021-2023 fiscal biennium second supplemental operating appropriations.	S Ways & Means	Rolfes
SSB 5201 (SHB 1148)	State gen. obligation bonds	Concerning state general obligation bonds and related accounts.	S 2nd Reading	Mullet
SB 5312	Clean energy/residential	Creating a residential property assessed clean energy and resiliency program.	S Loc Gov, Land	Lovelett
SSB 5322 (ESHB 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 FINDPA	Billig
SSB 5562 (ESHB 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