

2024 Legislative Session Weekly Report CleanTech Alliance January 20, 2024

Week Two

January 15th, MLK Day, marked the beginning of the second week of the legislative session. This week was packed with committee hearings, executive sessions, and floor action on some priority bills. All bills that are not deemed necessary to implement the budget (NTIB) must pass out of their house of origin policy committee by January 31st to remain alive. This means legislators have only a week and a half to ensure their policy bills undergo both a public hearing and an executive session to stay active for the rest of the year.

Key Issues Before the Legislature - Week 2:

*Please click on the provided hyperlinks for more information on any given topic.

- A "Gift Card Accountability" legislation package (<u>SB 5988/HB 2095</u> and <u>SB 5987/HB 2094</u>) had public
 hearings this week. One bill would increase the gift card cash out option from a balance of \$5 to a balance of
 \$50. The other bill would require gift cards to be reported as unclaimed property after three years. Office of
 the AG O&A, KUOW.
- **Oil Accountability -** <u>SB 6052</u> is governor request legislation and had a public hearing on Wednesday. The bill is modeled after California's approach and is aimed at enhancing transparency in petroleum supply and pricing. The bill has received a significant amount of attention <u>click here to read more</u>.
- **Airport Noise and Pollution** On January 15, lawmakers from the 31st Legislative District held a <u>press conference</u> to show strong support for <u>HB 2103/SB 5955</u> which would require port districts to use levy money to mitigate the effect of noise and pollution on people who live near large airports. Both bills had public hearings on January 16. Read more <u>here.</u>
- **Real Estate Excise Taxes (REET) for Affordable Housing** <u>HB 2276</u> proposes to impose a new Real Estate Transfer Tax (RETT) 1% tax on properties selling over \$3.025 million. The revenue would be allocated to various housing-related funds and programs. The bill has a public hearing in the House Finance Committee on Thursday. You can read more about the proposal <u>here</u>. Opponents of this legislation voice that this will <u>increase the cost of buying a home</u>.
- Paid Family Medical Leave (PFML) Program <u>HB 1959</u> had a public hearing on <u>Jan. 17</u> and is scheduled for executive session on <u>Jan. 24</u>. The bill removes the exemption for employers with fewer than 50 employees to not pay any portion of the premium for PFML. The bill intends to require employers with less than 50 employees to pay at least 55% of the medical leave share of the premium.

Insight - Week 2:

• **Washington State Revenues -** Washington Research Council finds January state tax collections are \$99.1 million short of forecasted amount. <u>Click here</u> to read more.

- Initiatives Update: Initiative 2113 (police pursuits), Initiative 2117 (Cap-and-Trade), and Initiative 2081 (parental rights relating to their children's public school education) have been certified by the Secretary of State's (SOS) office. Initiatives are exempt from cutoff dates.
 - Initiative 2109 This week, the US Supreme Court declined to hear a constitutional challenge of Washington State's Capital Gains Tax. Opponents challenge the legality of the tax claiming that it is an income tax and not an excise tax - therefore against the state's constitutional law. As a reminder, Washington State Supreme Court upheld the tax last year. The US Supreme Court's decision leaves the tax in place. (Seattle Times)
 - o <u>Initiative 2117</u> seeks to repeal the state's Climate Commitment Act (CCA) which generated \$1.8 billion in revenue for the state from carbon auctions (<u>Seattle Times</u>).
 - HB 2201/SB 6058 work to link Washington State's CCA carbon market with California and Quebec. There is a lot of speculation surrounding if this bill is an alternative to Initiative 2117 if so, the bill will need to be put in front of the voters. Washington State Standard
 - o <u>Articles of Interest</u> <u>Ballotopia News, Washington State Republicans Call for Immediate Action on Police Pursuit Initiative, Voters to Decide on Repeal of Washington cap-and-trade Program,</u>
- Leadership Interviews:
 - o Media Availability: Governor Jay Inslee / Democratic Leadership / Republican Leadership
- Celebration of Martin Luther King Jr: House / Senate

CleanTech Alliance Specifics

The Senate version of the carbon market linkage bill (<u>SB 6058</u>) was <u>heard on Friday</u> in the Senate Environment, Energy & Technology Committee, and the House version (<u>HB 2201</u>) was heard in the House Environment & Energy Committee on <u>Monday at 1:30pm</u>. Executive session is scheduled in the House for <u>Tuesday</u>, <u>January 23rd</u>. In similar news, I want to flag <u>this article</u> updating on the Climate Commitment Act repeal effort.

Senator Shewmake's bill, concerning disclosure of greenhouse gas emissions (<u>SB 6092</u>), was heard this past <u>Wednesday</u>. It has yet to be scheduled for executive action.

Representative Shavers' bill (<u>HB 1924</u>) works to require the state to support technologies like fusion. <u>Executive action</u> was taken on January 16th and <u>Substitute HB 1924</u> was referred out of committee with a do pass recommendation (13-1).

Representative Ramel's Thermal Energy Networks bill for gas utilities (<u>HB 2131</u>) had a public hearing on <u>January 16</u>. Representative Slatter's bill (<u>HB 2073</u>) regarding greenhouse gasses from sources other than methane and carbon dioxide had a public hearing on <u>January 11th</u>. Both bills are scheduled for executive action on <u>Tuesday</u>, <u>January 23rd</u>.

Representative Mena's bill (<u>HB 2000</u>) which works to renew Washington's international leadership legislation, had a <u>public hearing on Wednesday</u>, <u>January 10</u>, and was voted out of committee with a do pass recommendation (6-1) on <u>Friday</u>, <u>January 12</u>.

There are two recycling bills that are moving forward in the House this legislative session. <u>HB 2049</u>, known as the Re-Wrap Act, works to improve Washington's recycling system. <u>HB 2144</u> intends to create a bottle deposit system similar to Oregon and California. Executive action was taken on each of these bills <u>Thursday</u> and both moved out of committee with a do-pass recommendation (8-7). The Senate version of Re-Wrap, <u>SB 6005</u>, has a hearing <u>on January 23rd</u> in the Senate Environment, Energy & Technology Committee.

The final bill I want to flag this week is <u>HB 2069</u>, concerning the sale of biogenic carbon dioxide and other coproducts of biogas processing. Introduced by Representative Mosbrucker, the bill is scheduled to be heard in the House Environment & Energy Committee on Tuesday, January 23rd.

Important Dates:

Jan 31 - House of Origin Policy Cutoff

Feb 5 – House of Origin Fiscal Cutoff

Feb 13 - House of Origin Floor Cutoff

Feb 21 - Opposite House Policy Cutoff

Feb 26 – Opposite House Fiscal Cutoff

March 1 – Opposite House Floor Cutoff

March 7 – Sine Die

<u>Helpful Links for Session</u>: The Washington State Legislative Website, Find My Legislator, Legislative Committees, Bill Searcher, Washington State Legislative Roster, Sign up for Legislative Email Updates, Agendas, Schedules, and Calendars, Participating in the Process (Email or Testimony)

Upcoming Events Report

Business, Financial Services, Gaming & Trade (Senate) - SHR 2 and Virtual J.A. Cherberg - 1/23 @ 8:00am

• SB 6168 - Exec Session - Renewing Washington's international leadership.

Postsecondary Education & Workforce (House) - HHR B and Virtual JLOB - 1/23 @ 1:30pm

HB 2082 - Exec Session - Assessing the needs of the electrical transmission industry.

Environment & Energy (House) - HHR C and Virtual JLOB - 1/23 @ 4:00pm

- HB 2073 Exec Session Concerning emissions of greenhouse gases from sources other than methane and carbon dioxide.
- HB 2131 Exec Session Promoting the establishment of thermal energy networks.
- HB 2201 Exec Session Facilitating linkage of Washington's carbon market with the California-Quebec carbon market.
- HB 2069 Public Hearing Concerning the sale of biogenic carbon dioxide and other coproducts of biogas processing. (Remote Testimony Available).

Agriculture and Natural Resources (House) - HHR B and Virtual JLOB - 1/24 @ 8:00am

• HB 1574 - Public Hearing - Supporting Washington agriculture by capturing methane and reducing greenhouse gas emissions. (Remote Testimony Available).

Environment, Energy & Technology (Senate) - SHR 1 and Virtual J.A. Cherberg - 1/24 @ 8:00am

- SB 6138 Public Hearing Promoting the establishment of thermal energy networks. (Remote Testimony Available).
- SB 5992 Public Hearing Requiring applicants seeking energy facility site certification for an energy facility that generates electricity using renewable resources to provide evidence of an adequate water supply for the project. (Remote Testimony Available).

Environment & Energy (House) - HHR C and Virtual JLOB - 1/25 @ 8:00am

• HB 2249 - Public Hearing - Ensuring transparency regarding the impacts of allowing general market participants, including financial speculators, to participate in climate commitment act markets. (Remote Testimony Available).

Business, Financial Services, Gaming & Trade (Senate) - SHR 2 and Virtual J.A. Cherberg - 1/25 @ 10:30am

- SB 6240 Public Hearing Expanding tax preferences for jet fuel. (Remote Testimony Available).
- SB 6243 Public Hearing Providing a state business and occupation tax exemption to encourage clean technology manufacturing in Washington. (Remote Testimony Available).

Finance (House) - HHR A and Virtual JLOB - 1/25 @ 1:30pm

- HB 1981 Public Hearing Incentivizing clean nuclear energy manufacturing through preferential business and occupation tax rates. (Remote Testimony Available).
- HB 2120 Public Hearing Concerning tax preferences for clean energy manufacturers. (Remote Testimony Available).

Environment, Energy & Technology (Senate) - SHR 1 and Virtual J.A. Cherberg - 1/26 @ 8:00am

- SB 6058 Exec Session Facilitating linkage of Washington's carbon market with the California-Quebec carbon market.
- SB 5919 Exec Session Concerning the sale of biogenic carbon dioxide and other coproducts of biogas processing.

Bill Status

Bill #	Abbrev. Title	Title	Status	Sponsor
<u>HB 1076</u>	Salmon voluntary	Encouraging salmon recovery through	H Env &	Klicker
	stewardship	voluntary stewardship.	Energy	
SHB 1094	Future fund program	Creating the Washington future fund	H Approps	Stonier
(SSB 5125)		program.		
EHB 1125 (SSB 5162)	Transportation budget	Making transportation appropriations for the 2023-2025 fiscal biennium.	H Passed 3rd	Fey
(330 3102)				
<u>HB 1126</u> (SB 5164)	Transportation budget, supp.	Making supplemental transportation appropriations for the 2021-2023 fiscal biennium.	H Transportation	Fey

2SHB 1131	Solid waste	Improving Washington's solid waste	up l w	
(SSB 5154)	management	management outcomes.	H Rules X	Berry
SHB 1140 (ESSB 5187)	Operating budget	Making 2023-2025 fiscal biennium operating appropriations and 2021-2023 fiscal biennium second supplemental operating appropriations.	H Rules X	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 Rules X	Tharinger
ESHB 1148 (SSB 5201)	State gen. obligation bonds	Concerning state general obligation bonds and related accounts.	C 473 L 23	Tharinger
E2SHB 1170 (SSB 5093)	Climate response strategy	Improving climate resilience through updates to the state's integrated climate response strategy.	C 169 L 23	Street
ESHB 1173	Light pollution	Reducing light pollution associated with certain energy infrastructure.	C 344 L 23	Connors
E2SHB 1181 (SSB 5203)	Climate change/planning	Improving the state's response to climate change by updating the state's planning framework.	C 228 L 23	Duerr
E2SHB 1216 (SSB 5380)	Clean energy siting	Concerning clean energy siting.	C 230 L 23	Fitzgibbon
ESHB 1282 (SSB 5322)	Public building materials	Requiring environmental and labor reporting for public building construction and renovation material.	H Rules 3C	Duerr
<u>2SHB 1390</u>	District energy systems	Concerning district energy systems.	C 291 L 23	Ramel
2SHB 1391	Energy in buildings	Concerning energy in buildings.	H Rules 3C	Ramel
<u>HB 1416</u>	Consumer-owned utilities	Applying the affected market customer provisions of the Washington clean energy transformation act to nonresidential customers of consumer-owned utilities.	C 233 L 23	Doglio
SHB 1427	On-premises energy gen.	Concerning on-premises energy generation.	H Env & Energy	Mena
2SHB 1433	Energy labeling/residential	Concerning energy labeling of residential buildings.	H Exec Action	Duerr
HB 1505 (ESSB 5447)	Alternative jet fuel	Promoting the alternative jet fuel industry in Washington.	H Env & Energy	Slatter
<u>HB 1509</u>	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 Env & Energy	Barnard
ESHB 1589 (SSB 5562)	Clean energy	Supporting Washington's clean energy economy and transitioning to a clean, affordable, and reliable energy future.	H 3rd Reading	Doglio
HB 1619	Renewable energy resources	Incentivizing development and acquisition of renewable energy resources.	H Env & Energy	Fey

<u>HB 1659</u>	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.	H Rules 3C	Abbarno
SHB 1768	Green businesses/utility tax	Exempting certain sales of electricity to qualifying green businesses from the public utilities tax.	H Rules 3C	Shavers
HB 1887 (SB 5783)	Climate cmit. act/consumers	Mitigating the consumer impacts of the climate commitment act by creating greater administrability of emissions exemptions and improving the transparency and business practices under the act.	H Env & Energy	Chapman
HB 1908	Utility project assistance	Supporting the clean energy transition by providing a framework for financial assistance to utility-scale emission-reducing electricity generation or storage projects.	H Env & Energy	Barnard
SHB 1924	Fusion technology policies	Promoting the integration of fusion technology within state clean energy policies.	H Rules R	Shavers
HB 1981	Nuclear energy manufacturing	Incentivizing clean nuclear energy manufacturing through preferential business and occupation tax rates.	H Finance	Barnard
SHB 2000 (SB 6168)	International leadership	Renewing Washington's international leadership.	H Approps	Mena
HB 2042 (SB 5992)	Water supply/energy sites	Requiring applicants seeking energy facility site certification for an energy facility that generates electricity using renewable resources to provide evidence of an adequate water supply for the project.	H Env & Energy	Corry
HB 2068 (SB 5965)	Fashion/environmental impact	Concerning the environmental impacts of fashion.	H Env & Energy	Mena
HB 2069 (SB 5919)	Biogenic carbon dioxide	Concerning the sale of biogenic carbon dioxide and other coproducts of biogas processing.	H Env & Energy	Mosbrucker
HB 2070 (SB 5990)	Env. justice/SEPA projects	Integrating environmental justice considerations into certain project decisions.	H Env & Energy	Mena
HB 2073	Greenhouse gas other sources	Concerning emissions of greenhouse gases from sources other than methane and carbon dioxide.	H Env & Energy	Slatter
HB 2082	Electrical transmission	Assessing the needs of the electrical transmission industry.	H Postsec Ed & W	Fosse
<u>HB 2089</u> (SB 5949)	Capital budget, supplemental	Concerning the capital budget.	H Cap Budget	Tharinger
HB 2104 (SB 5950)	Operating budget, supp.	Making 2023-2025 fiscal biennium supplemental operating appropriations.	H Approps	Ormsby
HB 2117 (SB 6188)	Aerial firefighting/permits	Authorizing authorities to address aerial firefighting aspects as part of permitting processes for communities at risk of wildfires.	H Env & Energy	Barnard

SI 2117 (HI 2117)	Carbon tax credit trading	Concerning carbon tax credit trading.	S Environment,	
<u>HB 2120</u>	Clean energy manufacturers	Concerning tax preferences for clean energy manufacturers.	H Finance	Barnard
<u>HB 2129</u> (SB 6039)	Geothermal energy resources	Promoting the development of geothermal energy resources.	H Env & Energy	Ramel
<u>HB 2131</u> (SB 6138)	Thermal energy networks	Promoting the establishment of thermal energy networks.	H Env & Energy	Ramel
HB 2201 (SB 6058)	Carbon market linkage	Facilitating linkage of Washington's carbon market with the California-Quebec carbon market.	H Env & Energy	Doglio
HB 2232 (SB 6052)	Petroleum product supply	Concerning petroleum products supply and pricing.	H Env & Energy	Doglio
HB 2249	CCA market impacts	Ensuring transparency regarding the impacts of allowing general market participants, including financial speculators, to participate in climate commitment act markets.	H Env & Energy	Dye
HB 2253 (SB 6113)	Community solar	Concerning fair access to community solar.	H Env & Energy	Hackney
<u>HB 2388</u>	Clean energy fund	Promoting equitable economic and technological advancement through the clean energy fund.	H Cap Budget	Hackney
HB 2417	Renewable energy loans	Establishing the development of renewable energy for Washington revolving loan program and account.	H Cap Budget	Barnard
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
2SSB 5091	Hydrogen fuel products	Creating and expanding tax incentives for the research, development, production, and sale of hydrogen fuel products in Washington state.	S Business, Fin	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.	S Rules X	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

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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
SSB 5162 (EHB 1125)	Transportation budget	Making transportation appropriations for the 2021-2023 and 2023-2025 fiscal biennia.	S Rules X	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.	C 229 L 23	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 (SHB 1140)	Operating budget	Making 2023-2025 fiscal biennium operating appropriations and 2021-2023 fiscal biennium second supplemental operating appropriations.	C 475 L 23	Rolfes
SB 5188 (HB 1141)	Operating budget, supp.	Making 2021-2023 fiscal biennium second supplemental operating appropriations.	S Ways & Means	Rolfes
SSB 5201 (ESHB 1148)	State gen. obligation bonds	Concerning state general obligation bonds and related accounts.	S Rules X	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
<u>SB 5345</u>	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.	C 232 L 23	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
<u>SB 5620</u>	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
SB 5772	Energy code/federal law	Requiring the state building code council to amend the state energy code to comply with the energy policy and conservation act.	S State Govt &	Wilson
SB 5783 (HB 1887)	Climate cmit. act/consumers	Mitigating the consumer impacts of the climate commitment act by creating greater administrability of emissions exemptions and improving the transparency and business practices under the act.	S Environment, En	Mullet
SB 5919 (HB 2069)	Biogenic carbon dioxide	Concerning the sale of biogenic carbon dioxide and other coproducts of biogas processing.	S Environment, E	King
SB 5949 (HB 2089)	Capital budget, supplemental	Concerning the capital budget.	S Ways & Means	Mullet
SB 5950 (HB 2104)	Operating budget, supp.	Making 2023-2025 fiscal biennium supplemental operating appropriations.	S Ways & Means	Robinson
SB 5965 (HB 2068)	Fashion/environmental impact	Concerning the environmental impacts of fashion.	S Environment, E	Nguyen
SB 5990 (HB 2070)	Env. justice/SEPA projects	Integrating environmental justice considerations into certain project decisions.	S Environment, En	Lovelett
<u>SB 5992</u> (HB 2042)	Water supply/energy sites	Requiring applicants seeking energy facility site certification for an energy facility that generates electricity using renewable resources to provide evidence of an adequate water supply for the project.	S Environment, En	Warnick
SB 6039 (HB 2129)	Geothermal energy resources	Promoting the development of geothermal energy resources.	S Environment, E	Lovelett
SB 6052 (HB 2232)	Petroleum product supply	Concerning petroleum products supply and pricing.	S Environment, E	Nguyen
SB 6058 (HB 2201)	Carbon market linkage	Facilitating linkage of Washington's carbon market with the California-Quebec carbon market.	S Environment, E	Nguyen
SB 6092	Greenhouse gas disclosures	Concerning disclosure of greenhouse gas emissions.	S Environment, En	Shewmake
SB 6138 (HB 2131)	Thermal energy networks	Promoting the establishment of thermal energy networks.	S Environment, E	Shewmake
SB 6168 (SHB 2000)	International leadership	Renewing Washington's international leadership.	S Business, Fin	Stanford
SB 6240 (HB 2410)	Jet fuel tax preferences	Expanding tax preferences for jet fuel.	S Business, Fin	Warnick
SB 6243	Technology manuf./B&O tax	Providing a state business and occupation tax exemption to encourage clean technology manufacturing in Washington.	S Business, Fin	Mullet