Proposed 2nd Substitute House Bill 1050

By Representative Fitzgibbon

Original Bill: Reducing greenhouse gas emissions from fluorinated gases.

Proposed 2nd Substitute House Bill (H-0915.1) compared to the Substitute House Bill 1050 (H-0536.3):

- Requires the Department of Ecology (Ecology) to review the availability of equipment and training prior to adopting global warming potential restrictions on refrigeration equipment or air conditioning systems, and encourages Ecology to delay the effective date of restrictions if significant training or equipment availability limitations are expected to occur.
- Delays the start of the Refrigerant Management Program requirements to start no earlier than January 1, 2024.
- Requires Ecology's study of leak rates from refrigeration equipment to estimate refrigerant leakage from existing systems, rather than to provide data on leakage from existing systems.
- Requires Ecology to exempt de minimis refrigeration and air conditioning operations from registration, reporting, and leak detection requirements under the Refrigerant Management Program.
- Authorizes Ecology to refrain from or cease administering or enforcing refrigerant, ozone-depleting substance, or hydrofluorocarbon restrictions if the U.S. Environmental Protection Agency (EPA) adopts requirements that preempt state requirements or that are substantially duplicative of state requirements and that negate the additional emission reduction benefits of a state requirement.
- Requires Ecology to consider actions taken by other jurisdictions in its 2021 report to the Legislature regarding end-of-life management and disposal of refrigerants.
- Requires the State Building Code Council (Council) to allow the use of all refrigerants approved by the EPA, and allows the Council to allow the use of refrigerants that are under review but that have not yet been approved by the EPA.
- Directs the Council to solicit stakeholder input regarding building occupant safety and review applicable provisions of the fire code or best practices to reduce fire risk prior to the adoption of rules that allow the use of low-global warming potential substitutes.
- Amends the provisions addressing electric utility conservation programs to encourage efforts that reduce overall greenhouse gas emissions, including through the adoption of air conditioning equipment with refrigerants that do not exceed a global warming potential of 750.
- Adds a null and void clause.

Committee: *House Appropriations Committee*
Staff: *Jacob Lipson (786-7196), Office of Program Research*
Date: *February 11, 2021*
Draft: *H-0915.1*

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-0915.1/21

ATTY/TYPIST: ML:lel

BRIEF DESCRIPTION: Reducing greenhouse gas emissions from fluorinated gases.

AN ACT Relating to reducing greenhouse gas emissions from fluorinated gases; amending RCW 70A.15.6410, 70A.15.6420, 70A.15.6430, 70A.45.080, 19.27.580, 70A.15.1010, 70A.15.3150, 70A.15.3160, 19.285.040, 19.27A.220, and 39.26.310; reenacting and amending RCW 70A.45.010; adding a new chapter to Title 70A RCW; creating new sections; recodifying RCW 70A.45.080, 70A.15.6410, 70A.15.6420, and 70A.15.6430; and providing an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** (1) The legislature finds that hydrofluorocarbons are air pollutants that pose significant threats to our environment. Although hydrofluorocarbons currently represent a small proportion of the state's greenhouse gas emissions, emissions of hydrofluorocarbons have been rapidly increasing in the United States and worldwide, and they are hundreds to thousands of times more potent than carbon dioxide. In 2019, the legislature took a significant step towards reducing greenhouse gas emissions from hydrofluorocarbons by transitioning to the use of less damaging hydrofluorocarbons or suitable substitutes in certain new foam, aerosol, and refrigerant uses. However, significant sources of hydrofluorocarbon emissions in Washington remain unaddressed by the 2019 legislation, including legacy uses of hydrofluorocarbons as a

refrigerant in infrastructure that was installed prior to the effective dates of the restrictions in the 2019 law, and from sources like stationary air conditioners and heat pumps that were not covered by the 2019 law.

(2) Therefore, it is the intent of the legislature to reduce hydrofluorocarbon emissions, including by:

(a) Authorizing the establishment of a maximum global warming potential threshold for hydrofluorocarbons used as a refrigerant;

(b) Authorizing the regulation of hydrofluorocarbons in air conditioning and heat pumps;

(c) Applying the same basic emission control requirements to hydrofluorocarbons that have long applied to ozone-depleting substances used as refrigerants;

(d) Establishing a program to reduce leaks and encourage refrigerant recovery from large refrigeration and air conditioning systems;

(e) Directing the state building code council to adopt codes that are consistent with the goal of reducing greenhouse gas emissions associated with hydrofluorocarbons;

(f) Establishing a state procurement preference for recycled refrigerants; and

(g) Allowing consideration of the global warming potential of refrigerants used in equipment incentivized under utility conservation programs.

NEW SECTION. **Sec. 2.** (1)(a) "Air conditioning" means the process of treating air to meet the requirements of a conditioned space by controlling its temperature, humidity, cleanliness, or distribution.

(b)(i) "Air conditioning" includes chillers, except for purposes of section 8 of this act.

(ii) "Air conditioning" includes heat pumps.

(c) "Air conditioning" applies to stationary air conditioning equipment and does not apply to mobile air conditioning, including those used in motor vehicles, rail and trains, aircraft, watercraft, recreational vehicles, recreational trailers, and campers.

(2) "Class I substance" and "class II substance" means those substances listed in 42 U.S.C. Sec. 7671a, as of November 15, 1990, or those substances listed in Appendix A or B of Subpart A of 40 C.F.R. Part 82, as of January 3, 2017.

(3) "Department" means the department of ecology.

(4) "Hydrofluorocarbons" means a class of greenhouse gases that are saturated organic compounds containing hydrogen, fluorine, and carbon.

(5) "Ice rink" means a frozen body of water, hardened chemicals, or both, including, but not limited to, professional ice skating rinks and those used by the general public for recreational purposes.

(6) "Manufacturer" includes any person, firm, association, partnership, corporation, governmental entity, organization, or joint venture that produces any product that contains or uses hydrofluorocarbons or is an importer or domestic distributor of such a product.

(7) "Person" means an individual, partnership, franchise holder, association, corporation, a state, a city, a county, or any subdivision or instrumentality of the state.

(8) "Refrigeration equipment" or "refrigeration system" means any stationary device that is designed to contain and use refrigerant. "Refrigeration equipment" includes refrigeration equipment used in retail food, cold storage, industrial process refrigeration and cooling that does not use a chiller, ice rinks, and other refrigeration applications.

(9) "Regulated refrigerant" means a class I or class II substance as listed in Title VI of section 602 of the federal clean air act amendments of November 15, 1990.

(10) "Residential consumer refrigeration products" has the same meaning as defined in section 430.2 of Subpart A of 10 C.F.R. Part 430 (2017).

(11) "Retrofit" has the same meaning as defined in section 152 of Subpart F of 40 C.F.R. Part 82, as that section existed as of January 3, 2017.

(12) "Substitute" means a chemical, product, or alternative manufacturing process, whether existing or new, that is used to perform a function previously performed by a class I substance or class II substance and any chemical, product, or alternative manufacturing process subsequently developed, adapted, or adopted to perform that function including, but not limited to, hydrofluorocarbons. "Substitute" does not include 2-BTP or any compound as applied to its use in aerospace fire extinguishing systems.

Sec. 3. RCW 70A.45.010 and 2020 c 79 s 5 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Carbon dioxide equivalents" means a metric measure used to compare the emissions from various greenhouse gases based upon their global warming potential.

(2) "Carbon sequestration" means the process of capturing and storing atmospheric carbon dioxide through biologic, chemical, geologic, or physical processes.

(3) ((~~"Class I substance" and "class II substance" means those substances listed in 42 U.S.C. Sec. 7671a, as it read on November 15, 1990, or those substances listed in Appendix A or B of Subpart A of 40 C.F.R. Part 82, as those read on January 3, 2017.~~

~~(4)~~)) "Climate advisory team" means the stakeholder group formed in response to executive order 07-02.

((~~(5)~~)) (4) "Climate impacts group" means the University of Washington's climate impacts group.

((~~(6)~~)) (5) "Department" means the department of ecology.

((~~(7)~~)) (6) "Director" means the director of the department.

((~~(8)~~)) (7) "Greenhouse gas" and "greenhouse gases" includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and any other gas or gases designated by the department by rule.

((~~(9) "Hydrofluorocarbons" means a class of greenhouse gases that are saturated organic compounds containing hydrogen, fluorine, and carbon.~~

~~(10) "Manufacturer" includes any person, firm, association, partnership, corporation, governmental entity, organization, or joint venture that produces any product that contains or uses hydrofluorocarbons or is an importer or domestic distributor of such a product.~~

~~(11)~~)) (8) "Person" means an individual, partnership, franchise holder, association, corporation, a state, a city, a county, or any subdivision or instrumentality of the state.

((~~(12)~~)) (9) "Program" means the department's climate change program.

((~~(13) "Residential consumer refrigeration products" has the same meaning as defined in section 430.2 of Subpart A of 10 C.F.R. Part 430 (2017).~~

~~(14) "Retrofit" has the same meaning as defined in section 152 of Subpart F of 40 C.F.R. Part 82, as that section existed as of January 3, 2017.~~

~~(15) "Substitute" means a chemical, product substitute, or alternative manufacturing process, whether existing or new, that is used to perform a function previously performed by a class I substance or class II substance and any substitute subsequently adopted to perform that function, including, but not limited to, hydrofluorocarbons. "Substitute" does not include 2-BTP or any compound as applied to its use in aerospace fire extinguishing systems.~~

~~(16)~~)) (10) "Western climate initiative" means the collaboration of states, Canadian provinces, Mexican states, and tribes to design a multisector market-based mechanism as directed under the western regional climate action initiative signed by the governor on February 22, 2007.

Sec. 4. RCW 70A.15.6410 and 1991 c 199 s 602 are each amended to read as follows:

(1) ((~~Regulated refrigerant means a class I or class II substance as listed in Title VI of section 602 of the federal clean air act amendments of November 15, 1990.~~

~~(2)~~)) A person who services or repairs or disposes of a motor vehicle air conditioning system; commercial or industrial air conditioning, heating, or refrigeration system; or consumer appliance shall use refrigerant extraction equipment to recover regulated refrigerants and substitutes that would otherwise be released into the atmosphere. ((~~This subsection does not apply to off-road commercial equipment.~~

~~(3)~~)) (2) Upon request, the department shall provide information and assistance to persons interested in collecting, transporting, or recycling regulated refrigerants and substitutes.

((~~(4)~~)) (3) The willful release of regulated refrigerants and substitutes from a source listed in subsection ((~~(2)~~)) (1) of this section is prohibited.

Sec. 5. RCW 70A.15.6420 and 1991 c 199 s 603 are each amended to read as follows:

No person may sell, offer for sale, or purchase any of the following:

(1) A substitute with a global warming potential of greater than 150 or a regulated refrigerant in a container designed for consumer recharge of a motor vehicle air conditioning system or consumer appliance during repair or service((~~. This subsection does not apply to a regulated refrigerant purchased for the recharge of the air conditioning system of off-road commercial or agricultural equipment and sold or offered for sale at an establishment which specializes in the sale of off-road commercial or agricultural equipment or parts or service for such equipment~~));

(2) Nonessential consumer products that contain hydrofluorocarbons with a global warming potential of greater than 150 and chlorofluorocarbons or other ozone-depleting chemicals, and for which ((~~substitutes~~)) suitable alternatives are readily available. Products affected under this subsection shall include, but are not limited to, party streamers, tire inflators, air horns, noise makers, and ((~~chlorofluorocarbon-containing~~)) cleaning sprays designed for noncommercial or nonindustrial cleaning of electronic or photographic equipment. Products and equipment subject to restrictions on applications or end uses under RCW 70A.45.080 (as recodified by this act) are not nonessential products for which hydrofluorocarbons are restricted under this section.

Sec. 6. RCW 70A.15.6430 and 2020 c 20 s 1160 are each amended to read as follows:

The department shall adopt rules to implement RCW 70A.15.6410 and 70A.15.6420 (as recodified by this act). Rules shall include but not be limited to minimum performance specifications for refrigerant extraction equipment, procedures under which owners or operators of stationary refrigeration equipment and air conditioning equipment subject to the requirements of section 9 of this act must provide the department with information related to their use of regulated refrigerants and substitutes, as well as procedures for enforcing RCW 70A.15.6410 and 70A.15.6420 (as recodified by this act) and section 8 of this act.

((~~Enforcement provisions adopted by the department shall not include penalties or fines in areas where equipment to collect or recycle regulated refrigerants is not readily available.~~))

Sec. 7. RCW 70A.45.080 and 2020 c 20 s 1404 are each amended to read as follows:

(1) A person may not offer any product or equipment for sale, lease, or rent, or install or otherwise cause any equipment or product to enter into commerce in Washington if that equipment or product consists of, uses, or will use a substitute, as set forth in appendix U and V, Subpart G of 40 C.F.R. Part 82, as those read on January 3, 2017, for the applications or end uses restricted by appendix U or V of the federal regulation, as those read on January 3, 2017, consistent with the deadlines established in subsection (2) of this section. Except where existing equipment is retrofit, nothing in this subsection requires a person that acquired a restricted product or equipment prior to the effective date of the restrictions in subsection (2) of this section to cease use of that product or equipment. Products or equipment manufactured prior to the applicable effective date of the restrictions specified in subsection (2) of this section may be sold, imported, exported, distributed, installed, and used after the specified effective date.

(2) The restrictions under subsection (1) of this section for the following products and equipment identified in appendix U and V, Subpart G of 40 C.F.R. Part 82, as those read on January 3, 2017, take effect beginning:

(a) January 1, 2020, for:

(i) Propellants;

(ii) Rigid polyurethane applications and spray foam, flexible polyurethane, integral skin polyurethane, flexible polyurethane foam, polystyrene extruded sheet, polyolefin, phenolic insulation board, and bunstock;

(iii) Supermarket systems, remote condensing units, and stand-alone units((~~, and vending machines~~));

(b) January 1, 2021, for:

(i) Refrigerated food processing and dispensing equipment;

(ii) Compact residential consumer refrigeration products;

(iii) Polystyrene extruded boardstock and billet, and rigid polyurethane low-pressure two component spray foam;

(c) January 1, 2022, for ((~~residential~~)):

(i) Residential consumer refrigeration products other than compact and built-in residential consumer refrigeration products; and

(ii) Vending machines;

(d) January 1, 2023, for cold storage warehouses;

(e) January 1, 2023, for built-in residential consumer refrigeration products;

(f) January 1, 2024, for centrifugal chillers and positive displacement chillers; and

(g) On either January 1, 2020, or the effective date of the restrictions identified in appendix U and V, Subpart G of 40 C.F.R. Part 82, as those read on January 3, 2017, whichever comes later, for all other applications and end uses for substitutes not covered by the categories listed in (a) through (f) of this subsection.

(3) The department may by rule:

(a) Modify the effective date of a prohibition established in subsection (2) of this section if the department determines that the rule reduces the overall risk to human health or the environment and reflects the earliest date that a substitute is currently or potentially available;

(b) Prohibit the use of a substitute if the department determines that the prohibition reduces the overall risk to human health or the environment and that a lower risk substitute is currently or potentially available;

(c)(i) Adopt a list of approved substitutes, use conditions, or use limits, if any; and

(ii) Add or remove substitutes, use conditions, or use limits to or from the list of approved substitutes if the department determines those substitutes reduce the overall risk to human health and the environment; and

(d) Designate acceptable uses of hydrofluorocarbons for medical uses that are exempt from the requirements of subsection (2) of this section.

(4)((~~(a) Within twelve months of another state's enactment or adoption of restrictions on substitutes applicable to new light duty vehicles, the department may adopt restrictions applicable to the sale, lease, rental, or other introduction into commerce by a manufacturer of new light duty vehicles consistent with the restrictions identified in appendix B, Subpart G of 40 C.F.R. Part 82, as it read on January 3, 2017. The department may not adopt restrictions that take effect prior to the effective date of restrictions adopted or enacted in at least one other state.~~

~~(b) If the United States environmental protection agency approves a previously prohibited hydrofluorocarbon blend with a global warming potential of seven hundred fifty or less for foam blowing of polystyrene extruded boardstock and billet and rigid polyurethane low-pressure two-component spray foam pursuant to the significant new~~

~~alternatives policy program under section 7671(k) of the federal clean air act (42 U.S.C. Sec. 7401 et seq.), the department must expeditiously propose a rule consistent with RCW 34.05.320 to conform the requirements established under this section with that federal action.~~

~~(5) A manufacturer must disclose the substitutes used in its products or equipment.~~)) The department shall adopt rules requiring that manufacturers disclose the substitutes used in their products or equipment or to disclose the compliance status of their products or equipment. That disclosure must take the form of:

(a) A label on the equipment or product. The label must meet requirements designated by the department by rule. To the extent feasible, the department must recognize existing labeling that provides sufficient disclosure of the use of substitutes in the product or equipment or of the compliance status of the products or equipment.

(i) The department must consider labels required by state building codes and other safety standards in its rule making; and

(ii) The department may not require labeling of aircraft and aircraft components subject to certification requirements of the federal aviation administration.

(b) Submitting information about the use of substitutes to the department, upon request.

(i) By December 31, 2019, all manufacturers must notify the department of the status of each product class utilizing hydrofluorocarbons or other substitutes restricted under subsection (1) of this section that the manufacturer sells, offers for sale, leases, installs, or rents in Washington state. This status notification must identify the substitutes used by products or equipment in each product or equipment class in a manner determined by rule by the department.

(ii) Within one hundred twenty days after the date of a restriction put in place under this section, any manufacturer affected by the restriction must provide an updated status notification. This notification must indicate whether the manufacturer has ceased the use of hydrofluorocarbons or substitutes restricted under this section within each product class and, if not, what hydrofluorocarbons or other restricted substitutes remain in use.

(iii) After the effective date of a restriction put in place under this section, any manufacturer must provide an updated status notification when the manufacturer introduces a new or modified product or piece of equipment that uses hydrofluorocarbons or changes the type of hydrofluorocarbons utilized within a product class affected by a restriction. Such a notification must occur within one hundred twenty days of the introduction into commerce in Washington of the product or equipment triggering this notification requirement.

((~~(6)~~)) (c) Alternative disclosure requirements to (a) of this subsection, if the department determines that the inclusion of a label denoting substitutes used or compliance status is not feasible for a particular product or equipment.

(5) The department may adopt rules to administer, implement, and enforce this section. If the department elects to adopt rules, the department must seek, where feasible and appropriate, to adopt rules, including rules under subsection (4) of this section, that are the same or consistent with the regulatory standards, exemptions, reporting obligations, disclosure requirements, and other compliance requirements of other states or the federal government that have adopted restrictions on the use of hydrofluorocarbons and other substitutes. Prior to the adoption or update of a rule under this section, the department must identify the sources of information it relied upon, including peer-reviewed science.

((~~(7)~~)) (6) For the purposes of implementing the restrictions specified in appendix U of Subpart G of 40 C.F.R. Part 82, as it read on January 3, 2017, consistent with this section, the department must interpret the term "aircraft maintenance" to mean activities to support the production, fabrication, manufacture, rework, inspection, maintenance, overhaul, or repair of commercial, civil, or military aircraft, aircraft parts, aerospace vehicles, or aerospace components.

((~~(8) The authority granted by this section to the department for restricting the use of substitutes is supplementary to the department's authority to control air pollution pursuant to chapter 70A.15 RCW. Nothing in this section limits the authority of the department under chapter 70A.15 RCW.~~

~~(9)~~)) (7) Except where existing equipment is retrofit, the restrictions of this section do not apply to or limit any use of commercial refrigeration equipment that was installed or in use prior

to the effective date of the restrictions established in this section.

NEW SECTION. **Sec. 8.** (1) Within 12 months of another state's enactment or adoption of restrictions on substitutes applicable to new light-duty vehicles, the department may adopt restrictions applicable to the sale, lease, rental, or other introduction into commerce by a manufacturer of new light-duty vehicles consistent with the restrictions identified in appendix B, Subpart G of 40 C.F.R. Part 82, as of January 3, 2017. The department may apply an effective date to the restrictions adopted under this subsection that differs from the effective date of the restrictions adopted by another state, but the department may not adopt restrictions that take effect prior to the effective date of restrictions adopted or enacted in at least one other state.

(2) The department may adopt rules that establish a maximum global warming potential of 750 for substitutes used in new stationary air conditioning. Rules adopted under this subsection may not take effect prior to:

(a) January 1, 2023, for dehumidifiers and room air conditioners;

(b)(i) January 1, 2025, for other types of stationary air conditioning equipment, but only if before January 1, 2023, the state building code council adopts the following safety standards into the state building code as these standards existed as of the effective date of this section:

(A) American society of heating, refrigerating, and air-conditioning engineers standard 15;

(B) American society of heating, refrigerating, and air-conditioning engineers standard 15.2;

(C) American society of heating, refrigerating, and air-conditioning engineers standard 34; and

(D) Underwriters laboratories standard UL 60335-2-40 edition 4;

(ii) If the state building code council adopts the safety standards referenced in (b)(i) of this subsection after January 1, 2023, the restrictions of this subsection may apply to refrigeration equipment manufactured no earlier than 24 months after the adoption of the safety standards; and

(c) January 1, 2026, for systems with variable refrigerant flow or volume.

(3)(a) Consistent with the timeline established in (b) of this subsection, the department may adopt rules to prohibit the use of refrigerant substitutes that have a global warming potential of greater than 150 for use in refrigeration equipment containing more than 50 pounds of refrigerant;

(b)(i) The restrictions in (a) of this subsection must apply to new refrigeration equipment manufactured after December 31, 2024, but only if before January 1, 2023, the state building code council adopts the following safety standards into the state building code, as these standards existed as of the effective date of this section:

(A) American society of heating, refrigerating, and air-conditioning engineers standard 15;

(B) American society of heating, refrigerating, and air-conditioning engineers standard 34; and

(C) Underwriters laboratories standard UL 60335-2-89 edition 2;

(ii) If the state building code council adopts the safety standards referenced in (b)(i) of this subsection after January 1, 2023, the restrictions of (a) of this subsection may apply to refrigeration equipment manufactured no earlier than 24 months after the adoption of the safety standards.

(4) The department shall prohibit the use of refrigerant substitutes that have a global warming potential of greater than 750 for use in new equipment manufactured after December 31, 2021, for installation in ice rinks.

(5)(a) The department, in rules adopted to implement this section, may establish reporting, labeling, and recordkeeping requirements applicable to regulated facilities and persons. To the extent practicable, rules adopted under this section must be harmonized with reporting, labeling, or recordkeeping requirements established under section 9 of this act.

(b) To the extent practicable, the department must adopt rules to implement this section that are consistent with similar programs in other states that reduce emissions from refrigerants.

(c) The department may adopt rules to grant variances from the requirements of this section.

(d) Restrictions adopted by the department under this section are additional to specific restrictions on applications and end uses established in RCW 70A.45.080 (as recodified by this act).

(6)(a) Prior to adopting final rules to implement restrictions under subsection (2) or (3) of this section, the department must review the availability of:

(i) Equipment that meets applicable global warming potential requirements; and

(ii) Appropriate training to utilize equipment that meets applicable global warming potential requirements.

(b) After the review required under (a) of this subsection, the department is encouraged to consider delaying the effective date of restrictions under this section in the event that the department determines that significant training or compliant equipment availability limitations are expected to occur.

NEW SECTION. **Sec. 9.** (1) The department shall establish a refrigerant management program designed to reduce emissions of refrigerants, including regulated substances and their substitutes, from activities or equipment responsible for significant volumes of such emissions. The program must include, at minimum, larger stationary refrigeration systems and larger commercial air conditioning systems. The department must adopt rules to implement and enforce the requirements of this section. The department may require compliance with refrigerant management program requirements beginning no earlier than January 1, 2024, and no earlier than the adjournment of the regular legislative session following the submission of a report to the appropriate committees of the legislature by the department estimating leakage of refrigerants from existing systems in Washington, and estimating a statewide rate of leakage from the categories of systems that are subject to the refrigerant management program rules adopted by the department under this section.

(2)(a) The department shall exempt refrigeration and air conditioning equipment operations associated with de minimis emissions or with a de minimis charging capacity of less than 50 pounds at a single facility from registration, reporting, and leak detection requirements established in this section. The department shall exempt from the requirements established in this section equipment that uses refrigerants with a global warming potential of less than 150 and that are not class I or class II substances.

(b) The department may scale the requirements adopted under this section based on the size of the equipment, the facility containing

the equipment, or the business operations of a person responsible for such emissions. The department may establish delayed effective dates of requirements applicable to persons and systems associated with lower emissions of refrigerants than other persons and systems regulated under this section.

(3) Each year, the owner or operator of a facility with stationary refrigeration systems or air conditioning systems that exceed a de minimis charge capacity of 50 pounds must register with the department. The department must phase in system registration requirements under this subsection in order to prioritize systems with the largest charge capacity or greatest potential for refrigerant emissions. Registration with the department must, consistent with rules adopted by the department, include the submission of information about the refrigeration system, including equipment type, refrigerant charge capacity, and the type of refrigerant used.

(4) Prior to the sale of a registered refrigeration or air conditioning system, the owners or operators of the system must provide leak rate documentation to the prospective purchaser.

(5) The owner or operator of a registered stationary refrigeration system or air conditioning system must conduct periodic leak-detection inspections of the system. The department may require inspections to be conducted with relatively greater frequency for systems with larger volumes of refrigerants. The department may exempt systems that use refrigerants with low global warming potential or that have automatic leak-detection systems from the requirements of this subsection.

(6) The owner or operator of a registered stationary refrigeration or air conditioning system must inspect for leaks each time significant amounts of refrigerant are added to the system.

(7) The department must adopt rules that:

(a) Require refrigeration or air conditioning systems found to be leaking to be repaired within a specified amount of time;

(b) Require the retrofit, replacement, or retirement of a refrigeration or air conditioning system with a leak that is not capable of being repaired;

(c) Establish annual reporting requirements for owners or operators of refrigeration systems or air conditioning systems that include information about the system, including system service and leak repair conducted on the system over the preceding year, and

information on the purchase and use of refrigerants in the covered system during the preceding year;

(d) Establish annual reporting requirement for refrigerant wholesalers, distributors, and reclaimers;

(e) Establish record retention requirements for operators of facilities and wholesalers, distributors, and reclaimers of refrigerants and substitutes; and

(f) Apply leak rates and other regulatory thresholds that achieve greater emission reductions than the federal regulations adopted by the United States environmental protection agency, and that reflect levels of achievable superior performance established for the greenchill voluntary program implemented by the United States environmental protection agency.

(8) The department may adopt rules to establish:

(a) Service practices for stationary appliances, including both stationary refrigeration systems and air conditioning systems. Service practices established by the department may include requiring technicians certified under United States environmental protection agency standards to service refrigerant systems, requiring reporting and recordkeeping that identifies the technicians that have serviced appliances, prohibiting practices likely to result in releases to the environment, requiring all practicable efforts to recover refrigerants from covered systems, and prohibiting the addition of refrigerants to systems known to have a leak; and

(b) A process for wholesalers, distributors, reclaimers, and refrigeration and air conditioning equipment operators to apply to the department for an exemption from some or all of the requirements of this section. Exemptions may be granted by the department on the basis of economic hardship, natural disaster, or after considering a calculation of lifecycle greenhouse gas emissions associated with the granting of an exemption that will allow an identified leak to go unrepaired for a finite period of time.

(9) The department may determine, assess, and collect annual fees from the owners or operators of refrigeration and air conditioning systems regulated under this section in an amount sufficient to cover the direct and indirect costs of administering and enforcing the provisions of this section. All fees collected under this subsection must be deposited in the refrigerant emission management account created in section 12 of this act.

Sec. 10. RCW 19.27.580 and 2019 c 284 s 7 are each amended to read as follows:

(1) The building code council shall adopt rules that permit the use of substitutes approved under RCW ((~~70.235.080~~)) 70A.45.080 (as recodified by this act) and that do not require the use of substitutes that are restricted under RCW ((~~70.235.080~~)) 70A.45.080 (as recodified by this act). The building code council may not prohibit the use of a substitute refrigerant allowed pursuant to the United States environmental protection agency's significant new alternatives policy to implement 42 U.S.C. Sec. 7671k.

(2) The building code council shall adopt rules that allow the use of substitutes, as defined in section 2 of this act, with a lower global warming potential than alternative substances, to the maximum extent practicable after soliciting stakeholder input regarding building occupant safety and reviewing applicable provisions of the fire code or best practices to reduce fire risks.

(3) The building code council may adopt rules that allow the use of substitutes that are under review but have not yet been approved by the United States environmental protection agency's significant new alternatives policy to implement 42 U.S.C. Sec. 7671k for products where no other substitutes have been approved.

(4) Any rules adopted by the building code council that affect the design or installation of refrigeration or air conditioning systems must be consistent with a goal of minimizing system leakage of refrigerants.

(5) Prior to the adoption of any rules by the building code council that affect the design or installation of refrigeration or air conditioning systems or that facilitate the use of substitutes with a low global warming potential in air conditioning systems or equipment, the building code council must solicit input from affected parties and parties with expertise in the substitutes or affected types of systems or equipment including, but not limited to:

(a) Manufacturers, distributors, and installers of refrigeration and air conditioning systems; and

(b) Refrigeration and air conditioning system contractors that are small businesses or that primarily serve rural areas.

NEW SECTION. **Sec. 11.** (1) The authority granted by this chapter to the department for restricting the use of substitutes is supplementary to the department's authority to control air pollution

pursuant to chapter 70A.15 RCW. Nothing in this chapter limits the authority of the department under chapter 70A.15 RCW.

(2) The department, in enforcing the requirements of this chapter, must adhere to the provisions applicable to the department under chapter 43.05 RCW regarding site inspections, technical assistance visits, notices of correction, and the issuance of civil penalties, to the extent that these provisions are not in conflict with federal requirements described in RCW 43.05.901.

(3) The department may elect to refrain from or cease administering or enforcing a requirement of this chapter if the United States environmental protection agency adopts requirements that:

(a) Are substantially duplicative of the requirements of this chapter and that negate the additional emission reduction benefits of state implementation of any requirement of this chapter; or

(b) Preempt state authority under this chapter.

NEW SECTION. **Sec. 12.** The refrigerant emission management account is created in the state treasury. All receipts received by the state from the fees imposed under section 9 of this act must be deposited in the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only to develop and implement the provisions of section 9 of this act.

Sec. 13. RCW 70A.15.1010 and 2020 c 20 s 1080 are each amended to read as follows:

(1) The air pollution control account is established in the state treasury. All receipts collected by or on behalf of the department from RCW 70A.15.2200(2), and receipts from nonpermit program sources under RCW 70A.15.2210(1) and 70A.15.2230(7), and all receipts from RCW 70A.15.5090 and 70A.15.5120 shall be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only to develop and implement the provisions of this chapter, chapter 70A.25 RCW, and RCW 70A.45.080 (as recodified by this act).

(2) The amounts collected and allocated in accordance with this section shall be expended upon appropriation except as otherwise provided in this section and in accordance with the following limitations:

Portions of moneys received by the department of ecology from the air pollution control account shall be distributed by the department to local authorities based on:

(a) The level and extent of air quality problems within such authority's jurisdiction;

(b) The costs associated with implementing air pollution regulatory programs by such authority; and

(c) The amount of funding available to such authority from other sources, whether state, federal, or local, that could be used to implement such programs.

(3) The air operating permit account is created in the custody of the state treasurer. All receipts collected by or on behalf of the department from permit program sources under RCW 70A.15.2210(1), 70A.15.2260, 70A.15.2270, and 70A.15.2230(7) shall be deposited into the account. Expenditures from the account may be used only for the activities described in RCW 70A.15.2210(1), 70A.15.2260, 70A.15.2270, and 70A.15.2230(7). Moneys in the account may be spent only after appropriation.

NEW SECTION. **Sec. 14.** (1) By December 1, 2021, the department of ecology must provide recommendations to the appropriate committees of the house of representatives and the senate regarding the optimal design of a program to address the end-of-life management and disposal of refrigerants including, but not limited to, ozone-depleting substances and hydrofluorocarbons. In developing the recommendations, the department must solicit feedback from potentially impacted parties and the public, and must consider actions taken by other jurisdictions to incentivize refrigerant reuse or reclamation. The recommendations may come in the form of draft legislation.

(2) The recommendations must specifically include, at minimum, the following program design considerations:

(a) The legal and financial obligations to support or participate in the program applicable to refrigerant manufacturers, importers, distributors, and retailers, and to refrigerant-using equipment owner-operators and service technicians;

(b) A funding mechanism for refrigerant recovery and disposal activities carried out by the program that will also provide a financial incentive for the recovery and emission-reducing management of refrigerants that are no longer of utility to a consumer; and

(c) Performance goals and operational standards for activities carried out by the program to collect, transport, and recycle, reuse, or dispose of refrigerants.

Sec. 15. RCW 70A.15.3150 and 2020 c 20 s 1111 are each amended to read as follows:

(1) Any person who knowingly violates any of the provisions of this chapter or ((~~chapter 70A.25 RCW, RCW 70A.45.080~~)) chapters 70A.25 and 70A.--- (the new chapter created in section 20 of this act) RCW, or any ordinance, resolution, or regulation in force pursuant thereto is guilty of a gross misdemeanor and upon conviction thereof shall be punished by a fine of not more than ten thousand dollars, or by imprisonment in the county jail for up to three hundred sixty-four days, or by both for each separate violation.

(2) Any person who negligently releases into the ambient air any substance listed by the department of ecology as a hazardous air pollutant, other than in compliance with the terms of an applicable permit or emission limit, and who at the time negligently places another person in imminent danger of death or substantial bodily harm is guilty of a gross misdemeanor and shall, upon conviction, be punished by a fine of not more than ten thousand dollars, or by imprisonment for up to three hundred sixty-four days, or both.

(3) Any person who knowingly releases into the ambient air any substance listed by the department of ecology as a hazardous air pollutant, other than in compliance with the terms of an applicable permit or emission limit, and who knows at the time that he or she thereby places another person in imminent danger of death or substantial bodily harm, is guilty of a class C felony and shall, upon conviction, be punished by a fine of not less than fifty thousand dollars, or by imprisonment for not more than five years, or both.

(4) Any person who knowingly fails to disclose a potential conflict of interest under RCW 70A.15.2000 is guilty of a gross misdemeanor, and upon conviction thereof shall be punished by a fine of not more than five thousand dollars.

Sec. 16. RCW 70A.15.3160 and 2020 c 20 s 1112 are each amended to read as follows:

(1)(a) Except as provided in RCW 43.05.060 through 43.05.080 and 43.05.150, and in addition to or as an alternate to any other penalty

provided by law, any person who violates any of the provisions of this chapter, chapter 70A.25 ((~~or~~)), 70A.450, or 70A.--- (the new chapter created in section 20 of this act) RCW, ((~~RCW 70A.45.080,~~)) or any of the rules in force under such chapters or section may incur a civil penalty in an amount not to exceed ten thousand dollars per day for each violation. Each such violation shall be a separate and distinct offense, and in case of a continuing violation, each day's continuance shall be a separate and distinct violation.

(b) Any person who fails to take action as specified by an order issued pursuant to this chapter shall be liable for a civil penalty of not more than ten thousand dollars for each day of continued noncompliance.

(2)(a) Penalties incurred but not paid shall accrue interest, beginning on the ninety-first day following the date that the penalty becomes due and payable, at the highest rate allowed by RCW 19.52.020 on the date that the penalty becomes due and payable. If violations or penalties are appealed, interest shall not begin to accrue until the thirty-first day following final resolution of the appeal.

(b) The maximum penalty amounts established in this section may be increased annually to account for inflation as determined by the state office of the economic and revenue forecast council.

(3) Each act of commission or omission which procures, aids or abets in the violation shall be considered a violation under the provisions of this section and subject to the same penalty. The penalties provided in this section shall be imposed pursuant to RCW 43.21B.300.

(4) ((~~All~~)) (a) Except as provided in (b) of this subsection, all penalties recovered under this section by the department shall be paid into the state treasury and credited to the air pollution control account established in RCW 70A.15.1010 or, if recovered by the authority, shall be paid into the treasury of the authority and credited to its funds. If a prior penalty for the same violation has been paid to a local authority, the penalty imposed by the department under subsection (1) of this section shall be reduced by the amount of the payment.

(b) All penalties recovered for violations of chapter 70A.--- (the new chapter created in section 20 of this act) RCW must be paid into the state treasury and credited to the refrigerant emission management account created in section 12 of this act.

(5) To secure the penalty incurred under this section, the state or the authority shall have a lien on any vessel used or operated in violation of this chapter which shall be enforced as provided in RCW 60.36.050.

(6) Public or private entities that are recipients or potential recipients of department grants, whether for air quality related activities or not, may have such grants rescinded or withheld by the department for failure to comply with provisions of this chapter.

(7) In addition to other penalties provided by this chapter, persons knowingly under-reporting emissions or other information used to set fees, or persons required to pay emission or permit fees who are more than ninety days late with such payments may be subject to a penalty equal to three times the amount of the original fee owed.

(8) The department shall develop rules for excusing excess emissions from enforcement action if such excess emissions are unavoidable. The rules shall specify the criteria and procedures for the department and local air authorities to determine whether a period of excess emissions is excusable in accordance with the state implementation plan.

Sec. 17. RCW 19.285.040 and 2019 c 288 s 29 are each amended to read as follows:

(1) Each qualifying utility shall pursue all available conservation that is cost-effective, reliable, and feasible.

(a) By January 1, 2010, using methodologies consistent with those used by the Pacific Northwest electric power and conservation planning council in the most recently published regional power plan as it existed on June 12, 2014, or a subsequent date as may be provided by the department or the commission by rule, each qualifying utility shall identify its achievable cost-effective conservation potential through 2019. Nothing in the rule adopted under this subsection precludes a qualifying utility from using its utility specific conservation measures, values, and assumptions in identifying its achievable cost-effective conservation potential. At least every two years thereafter, the qualifying utility shall review and update this assessment for the subsequent ten-year period.

(b) Beginning January 2010, each qualifying utility shall establish and make publicly available a biennial acquisition target for cost-effective conservation consistent with its identification of achievable opportunities in (a) of this subsection, and meet that

target during the subsequent two-year period. At a minimum, each biennial target must be no lower than the qualifying utility's pro rata share for that two-year period of its cost-effective conservation potential for the subsequent ten-year period.

(c)(i) Except as provided in (c)(ii) and (iii) of this subsection, beginning on January 1, 2014, cost-effective conservation achieved by a qualifying utility in excess of its biennial acquisition target may be used to help meet the immediately subsequent two biennial acquisition targets, such that no more than twenty percent of any biennial target may be met with excess conservation savings.

(ii) Beginning January 1, 2014, a qualifying utility may use single large facility conservation savings in excess of its biennial target to meet up to an additional five percent of the immediately subsequent two biennial acquisition targets, such that no more than twenty-five percent of any biennial target may be met with excess conservation savings allowed under all of the provisions of this section combined. For the purposes of this subsection (1)(c)(ii), "single large facility conservation savings" means cost-effective conservation savings achieved in a single biennial period at the premises of a single customer of a qualifying utility whose annual electricity consumption prior to the conservation savings exceeded five average megawatts.

(iii) Beginning January 1, 2012, and until December 31, 2017, a qualifying utility with an industrial facility located in a county with a population between ninety-five thousand and one hundred fifteen thousand that is directly interconnected with electricity facilities that are capable of carrying electricity at transmission voltage may use cost-effective conservation from that industrial facility in excess of its biennial acquisition target to help meet the immediately subsequent two biennial acquisition targets, such that no more than twenty-five percent of any biennial target may be met with excess conservation savings allowed under all of the provisions of this section combined.

(d) In meeting its conservation targets, a qualifying utility may count high-efficiency cogeneration owned and used by a retail electric customer to meet its own needs. High-efficiency cogeneration is the sequential production of electricity and useful thermal energy from a common fuel source, where, under normal operating conditions, the facility has a useful thermal energy output of no less than

thirty-three percent of the total energy output. The reduction in load due to high-efficiency cogeneration shall be: (i) Calculated as the ratio of the fuel chargeable to power heat rate of the cogeneration facility compared to the heat rate on a new and clean basis of a best-commercially available technology combined-cycle natural gas-fired combustion turbine; and (ii) counted towards meeting the biennial conservation target in the same manner as other conservation savings.

(e) The commission may determine if a conservation program implemented by an investor-owned utility is cost-effective based on the commission's policies and practice.

(f) In assessing the cost-effective conservation required under this section, a qualifying utility is encouraged to promote cost-effective energy conservation efforts that reduce overall greenhouse gas emissions, including through the adoption of air conditioning equipment with refrigerants not exceeding a global warming potential of 750.

(g) The commission may rely on its standard practice for review and approval of investor-owned utility conservation targets.

(2)(a) Except as provided in (j) of this subsection, each qualifying utility shall use eligible renewable resources or acquire equivalent renewable energy credits, or any combination of them, to meet the following annual targets:

(i) At least three percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;

(ii) At least nine percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and

(iii) At least fifteen percent of its load by January 1, 2020, and each year thereafter.

(b) A qualifying utility may count distributed generation at double the facility's electrical output if the utility: (i) Owns or has contracted for the distributed generation and the associated renewable energy credits; or (ii) has contracted to purchase the associated renewable energy credits.

(c) In meeting the annual targets in (a) of this subsection, a qualifying utility shall calculate its annual load based on the average of the utility's load for the previous two years.

(d) A qualifying utility shall be considered in compliance with an annual target in (a) of this subsection if: (i) The utility's weather-adjusted load for the previous three years on average did not

increase over that time period; (ii) after December 7, 2006, the utility did not commence or renew ownership or incremental purchases of electricity from resources other than coal transition power or renewable resources other than on a daily spot price basis and the electricity is not offset by equivalent renewable energy credits; and (iii) the utility invested at least one percent of its total annual retail revenue requirement that year on eligible renewable resources, renewable energy credits, or a combination of both.

(e) A qualifying utility may use renewable energy credits to meet the requirements of this section, subject to the limitations of this subsection.

(i) A renewable energy credit from electricity generated by a resource other than freshwater may be used to meet a requirement applicable to the year in which the credit was created, the year before the year in which the credit was created, or the year after the year in which the credit was created.

(ii) A renewable energy credit from electricity generated by freshwater:

(A) May only be used to meet a requirement applicable to the year in which the credit was created; and

(B) Must be acquired by the qualifying utility through ownership of the generation facility or through a transaction that conveyed both the electricity and the nonpower attributes of the electricity.

(iii) A renewable energy credit transferred to an investor-owned utility pursuant to the Bonneville power administration's residential exchange program may not be used by any utility other than the utility receiving the credit from the Bonneville power administration.

(iv) Each renewable energy credit may only be used once to meet the requirements of this section and must be retired using procedures of the renewable energy credit tracking system.

(f) In complying with the targets established in (a) of this subsection, a qualifying utility may not count:

(i) Eligible renewable resources or distributed generation where the associated renewable energy credits are owned by a separate entity; or

(ii) Eligible renewable resources or renewable energy credits obtained for and used in an optional pricing program such as the program established in RCW 19.29A.090.

(g) Where fossil and combustible renewable resources are cofired in one generating unit located in the Pacific Northwest where the cofiring commenced after March 31, 1999, the unit shall be considered to produce eligible renewable resources in direct proportion to the percentage of the total heat value represented by the heat value of the renewable resources.

(h)(i) A qualifying utility that acquires an eligible renewable resource or renewable energy credit may count that acquisition at one and two-tenths times its base value:

(A) Where the eligible renewable resource comes from a facility that commenced operation after December 31, 2005; and

(B) Where the developer of the facility used apprenticeship programs approved by the council during facility construction.

(ii) The council shall establish minimum levels of labor hours to be met through apprenticeship programs to qualify for this extra credit.

(i) A qualifying utility shall be considered in compliance with an annual target in (a) of this subsection if events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the renewable energy target. Such events include weather-related damage, mechanical failure, strikes, lockouts, and actions of a governmental authority that adversely affect the generation, transmission, or distribution of an eligible renewable resource under contract to a qualifying utility.

(j)(i) Beginning January 1, 2016, only a qualifying utility that owns or is directly interconnected to a qualified biomass energy facility may use qualified biomass energy to meet its compliance obligation under this subsection.

(ii) A qualifying utility may no longer use electricity and associated renewable energy credits from a qualified biomass energy facility if the associated industrial pulping or wood manufacturing facility ceases operation other than for purposes of maintenance or upgrade.

(k) An industrial facility that hosts a qualified biomass energy facility may only transfer or sell renewable energy credits associated with qualified biomass energy generated at its facility to the qualifying utility with which it is directly interconnected with facilities owned by such a qualifying utility and that are capable of carrying electricity at transmission voltage. The qualifying utility

may only use an amount of renewable energy credits associated with qualified biomass energy that are equivalent to the proportionate amount of its annual targets under (a)(ii) and (iii) of this subsection that was created by the load of the industrial facility. A qualifying utility that owns a qualified biomass energy facility may not transfer or sell renewable energy credits associated with qualified biomass energy to another person, entity, or qualifying utility.

(l) Beginning January 1, 2020, a qualifying utility may use eligible renewable resources as identified under RCW 19.285.030(12) (g) and (h) to meet its compliance obligation under this subsection (2). A qualifying utility may not transfer or sell these eligible renewable resources to another utility for compliance purposes under this chapter.

(m) Beginning January 1, 2030, a qualifying utility is considered to be in compliance with an annual target in (a) of this subsection if the utility uses electricity from: (i) Renewable resources and renewable energy credits as defined in RCW 19.285.030; and (ii) nonemitting electric generation as defined in RCW 19.405.020, in an amount equal to one hundred percent of the utility's average annual retail electric load. Nothing in this subsection relieves the requirements of a qualifying utility to comply with subsection (1) of this section.

(3) Utilities that become qualifying utilities after December 31, 2006, shall meet the requirements in this section on a time frame comparable in length to that provided for qualifying utilities as of December 7, 2006.

Sec. 18. RCW 19.27A.220 and 2019 c 285 s 4 are each amended to read as follows:

(1) The department must establish a state energy performance standard early adoption incentive program consistent with the requirements of this section.

(2) The department must adopt application and reporting requirements for the incentive program. Building energy reporting for the incentive program must be consistent with the energy reporting requirements established under RCW 19.27A.210.

(3) Upon receiving documentation demonstrating that a building owner qualifies for an incentive under this section, the department must authorize each applicable entity administering incentive

payments, as provided in RCW 19.27A.240, to make an incentive payment to the building owner. When a building is served by more than one entity offering incentives or more than one type of fuel, incentive payments must be proportional to the energy use intensity reduction of each specific fuel provided by each entity.

(4) An eligible building owner may receive an incentive payment in the amounts specified in subsection (6) of this section only if the following requirements are met:

(a) The building is either: (i) A covered commercial building subject to the requirements of the standard established under RCW 19.27A.210; or (ii) a multifamily residential building where the floor area exceeds fifty thousand gross square feet, excluding the parking garage area;

(b) The building's baseline energy use intensity exceeds its applicable energy use intensity target by at least fifteen energy use intensity units;

(c) At least one electric utility, gas company, or thermal energy company providing or delivering energy to the covered commercial building is participating in the incentive program by administering incentive payments as provided in RCW 19.27A.240; and

(d) The building owner complies with any other requirements established by the department.

(5)(a) An eligible building owner who meets the requirements of subsection (4) of this section may submit an application to the department for an incentive payment in a form and manner prescribed by the department. The application must be submitted in accordance with the following schedule:

(i) For a building with more than two hundred twenty thousand gross square feet, beginning July 1, 2021, through June 1, 2025;

(ii) For a building with more than ninety thousand gross square feet but less than two hundred twenty thousand and one gross square feet, beginning July 1, 2021, through June 1, 2026; and

(iii) For a building with more than fifty thousand gross square feet but less than ninety thousand and one gross square feet, beginning July 1, 2021, through June 1, 2027.

(b) The department must review each application and determine whether the applicant is eligible for the incentive program and if funds are available for the incentive payment within the limitation established in RCW 19.27A.230. If the department certifies an application, it must provide verification to the building owner and

each entity participating as provided in RCW 19.27A.240 and providing service to the building owner.

(6) An eligible building owner that demonstrates early compliance with the applicable energy use intensity target under the standard established under RCW 19.27A.210 may receive a base incentive payment of eighty-five cents per gross square foot of floor area, excluding parking, unconditioned, or semiconditioned spaces.

(7) The incentives provided in subsection (6) of this section are subject to the limitations and requirements of this section, including any rules or procedures implementing this section.

(8) The department must establish requirements for the verification of energy consumption by the building owner and each participating electric utility, gas company, and thermal energy company.

(9) The department must provide an administrative process for an eligible building owner to appeal a determination of an incentive eligibility or amount.

(10) By September 30, 2025, and every two years thereafter, the department must report to the appropriate committees of the legislature on the results of the incentive program under this section and may provide recommendations to improve the effectiveness of the program. The 2025 report to the legislature must include recommendations for aligning the incentive program established under this section consistent with a goal of reducing greenhouse gas emissions from substitutes, as defined in section 2 of this act.

(11) The department may adopt rules to implement this section.

Sec. 19. RCW 39.26.310 and 2019 c 284 s 9 are each amended to read as follows:

(1) The department shall establish purchasing and procurement policies that provide a preference for products that:

(a) Are not restricted under RCW ((~~70.235.080~~)) 70A.45.080 (as recodified by this act);

(b) Do not contain hydrofluorocarbons or contain hydrofluorocarbons with a comparatively low global warming potential;

(c) Are not designed to function only in conjunction with hydrofluorocarbons characterized by a comparatively high global warming potential; and

(d) Were not manufactured using hydrofluorocarbons or were manufactured using hydrofluorocarbons with a low global warming potential.

(2) No agency may knowingly purchase products that are not accorded a preference in the purchasing and procurement policies established by the department pursuant to subsection (1) of this section, unless there is no cost-effective and technologically feasible option that is accorded a preference.

(3) ((~~Nothing in~~)) The department shall establish a purchasing and procurement policy that provides a preference, in serving existing equipment, for a reclaimed refrigerant that meets the minimum quality requirement established in federal regulations adopted under 42 U.S.C. Sec. 7671(g).

(4)(a) Nothing in subsection (1) of this section requires the department or any other state agency to breach an existing contract or dispose of stock that has been ordered or is in the possession of the department or other state agency as of July 28, 2019.

((~~(4)~~)) (b) Nothing in subsection (3) of this section requires the department or any other state agency to breach an existing contract or dispose of stock that has been ordered or is in the possession of the department or other state agency as of July 28, 2021.

(5) By December 1, 2020, and each December 1st of even-numbered years thereafter, the department must submit a status report to the appropriate committees of the house of representatives and senate regarding the implementation and compliance of the department and state agencies with this section.

NEW SECTION. **Sec. 20.** Sections 1, 2, 8, 9, 11, and 12 of this act constitute a new chapter in Title 70A RCW.

NEW SECTION. **Sec. 21.** RCW 70A.45.080, 70A.15.6410, 70A.15.6420, and 70A.15.6430 are each recodified as sections in chapter 70A.--- RCW (the new chapter created in section 20 of this act).

NEW SECTION. **Sec. 22.** Section 8 of this act takes effect January 1, 2022.

NEW SECTION. **Sec. 23.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not

provided by June 30, 2021, in the omnibus appropriations act, this act is null and void.

NEW SECTION. **Sec. 24.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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