

By Senator Liias

**E2SHB 1050** - S COMM AMD

By Committee on Environment, Energy & Technology

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that  
4 hydrofluorocarbons are air pollutants that pose significant threats  
5 to our environment. Although hydrofluorocarbons currently represent a  
6 small proportion of the state's greenhouse gas emissions, emissions  
7 of hydrofluorocarbons have been rapidly increasing in the United  
8 States and worldwide, and they are hundreds to thousands of times  
9 more potent than carbon dioxide. In 2019, the legislature took a  
10 significant step towards reducing greenhouse gas emissions from  
11 hydrofluorocarbons by transitioning to the use of less damaging  
12 hydrofluorocarbons or suitable substitutes in certain new foam,  
13 aerosol, and refrigerant uses. However, significant sources of  
14 hydrofluorocarbon emissions in Washington remain unaddressed by the  
15 2019 legislation, including legacy uses of hydrofluorocarbons as a  
16 refrigerant in infrastructure that was installed prior to the  
17 effective dates of the restrictions in the 2019 law, and from sources  
18 like stationary air conditioners and heat pumps that were not covered  
19 by the 2019 law.

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

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

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

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

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

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

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

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

9 (3) Furthermore, it is the intent of the legislature that the ice  
10 rink used by Seattle's newest hockey franchise, the Seattle Kraken,  
11 should be as cold as possible, but also should be refrigerated using  
12 climate-friendly refrigerants, so that on opening night of the  
13 2021-2022 National Hockey League season, as many fans as possible can  
14 simultaneously yell the Pacific Northwest's favorite new phrase:  
15 'Release the Kraken!'

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

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

22 (ii) "Air conditioning" includes heat pumps.

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

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

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

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

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

38 (6) "Manufacturer" includes any person, firm, association,  
39 partnership, corporation, governmental entity, organization, or joint

1 venture that produces any product that contains or uses  
2 hydrofluorocarbons or is an importer or domestic distributor of such  
3 a product.

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

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

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

16 (10) "Residential consumer refrigeration products" has the same  
17 meaning as defined in section 430.2 of Subpart A of 10 C.F.R. Part  
18 430 (2017).

19 (11) "Retrofit" has the same meaning as defined in section 152 of  
20 Subpart F of 40 C.F.R. Part 82, as that section existed as of January  
21 3, 2017.

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

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

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

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

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

4 ~~(3) ("Class I substance" and "class II substance" means those~~  
5 ~~substances listed in 42 U.S.C. Sec. 7671a, as it read on November 15,~~  
6 ~~1990, or those substances listed in Appendix A or B of Subpart A of~~  
7 ~~40 C.F.R. Part 82, as those read on January 3, 2017.~~

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

10 ~~((5))~~ (4) "Climate impacts group" means the University of  
11 Washington's climate impacts group.

12 ~~((6))~~ (5) "Department" means the department of ecology.

13 ~~((7))~~ (6) "Director" means the director of the department.

14 ~~((8))~~ (7) "Greenhouse gas" and "greenhouse gases" includes  
15 carbon dioxide, methane, nitrous oxide, hydrofluorocarbons,  
16 perfluorocarbons, sulfur hexafluoride, and any other gas or gases  
17 designated by the department by rule.

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

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

26 ~~(11))~~ (8) "Person" means an individual, partnership, franchise  
27 holder, association, corporation, a state, a city, a county, or any  
28 subdivision or instrumentality of the state.

29 ~~((12))~~ (9) "Program" means the department's climate change  
30 program.

31 ~~((13) "Residential consumer refrigeration products" has the same~~  
32 ~~meaning as defined in section 430.2 of Subpart A of 10 C.F.R. Part~~  
33 ~~430 (2017).~~

34 ~~(14) "Retrofit" has the same meaning as defined in section 152 of~~  
35 ~~Subpart F of 40 C.F.R. Part 82, as that section existed as of January~~  
36 ~~3, 2017.~~

37 ~~(15) "Substitute" means a chemical, product substitute, or~~  
38 ~~alternative manufacturing process, whether existing or new, that is~~  
39 ~~used to perform a function previously performed by a class I~~  
40 ~~substance or class II substance and any substitute subsequently~~

1 ~~adopted to perform that function, including, but not limited to,~~  
2 ~~hydrofluorocarbons. "Substitute" does not include 2-BTP or any~~  
3 ~~compound as applied to its use in aerospace fire extinguishing~~  
4 ~~systems.~~

5 ~~(16))~~ (10) "Western climate initiative" means the collaboration  
6 of states, Canadian provinces, Mexican states, and tribes to design a  
7 multisector market-based mechanism as directed under the western  
8 regional climate action initiative signed by the governor on February  
9 22, 2007.

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

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

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

22 ~~(3))~~ (2) Upon request, the department shall provide information  
23 and assistance to persons interested in collecting, transporting, or  
24 recycling regulated refrigerants and substitutes.

25 ~~((4))~~ (3) The willful release of regulated refrigerants and  
26 substitutes from a source listed in subsection ~~((2))~~ (1) of this  
27 section is prohibited.

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

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

32 (1) A substitute with a global warming potential of greater than  
33 150 or a regulated refrigerant in a container designed for consumer  
34 recharge of a motor vehicle air conditioning system or consumer  
35 appliance during repair or service ~~((This subsection does not apply~~  
36 ~~to a regulated refrigerant purchased for the recharge of the air~~  
37 ~~conditioning system of off-road commercial or agricultural equipment~~  
38 ~~and sold or offered for sale at an establishment which specializes in~~

1 ~~the sale of off-road commercial or agricultural equipment or parts or~~  
2 ~~service for such equipment));~~

3 (2) Nonessential consumer products that contain  
4 hydrofluorocarbons with a global warming potential of greater than  
5 150 and chlorofluorocarbons or other ozone-depleting chemicals, and  
6 for which ~~((substitutes))~~ suitable alternatives are readily  
7 available. Products affected under this subsection shall include, but  
8 are not limited to, party streamers, tire inflators, air horns, noise  
9 makers, and ~~((chlorofluorocarbon-containing))~~ cleaning sprays  
10 designed for noncommercial or nonindustrial cleaning of electronic or  
11 photographic equipment. Products and equipment subject to  
12 restrictions on applications or end uses under RCW 70A.45.080 (as  
13 recodified by this act) are not nonessential products for which  
14 hydrofluorocarbons are restricted under this section.

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

17 The department shall adopt rules to implement RCW 70A.15.6410 and  
18 70A.15.6420 (as recodified by this act). Rules shall include but not  
19 be limited to minimum performance specifications for refrigerant  
20 extraction equipment, procedures under which owners or operators of  
21 stationary refrigeration equipment and air conditioning equipment  
22 subject to the requirements of section 9 of this act must provide the  
23 department with information related to their use of regulated  
24 refrigerants and substitutes, as well as procedures for enforcing RCW  
25 70A.15.6410 and 70A.15.6420 (as recodified by this act) and section 8  
26 of this act.

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

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

32 (1) A person may not offer any product or equipment for sale,  
33 lease, or rent, or install or otherwise cause any equipment or  
34 product to enter into commerce in Washington if that equipment or  
35 product consists of, uses, or will use a substitute, as set forth in  
36 appendix U and V, Subpart G of 40 C.F.R. Part 82, as those read on  
37 January 3, 2017, for the applications or end uses restricted by  
38 appendix U or V of the federal regulation, as those read on January

1 3, 2017, consistent with the deadlines established in subsection (2)  
2 of this section. Except where existing equipment is retrofit, nothing  
3 in this subsection requires a person that acquired a restricted  
4 product or equipment prior to the effective date of the restrictions  
5 in subsection (2) of this section to cease use of that product or  
6 equipment. Products or equipment manufactured prior to the applicable  
7 effective date of the restrictions specified in subsection (2) of  
8 this section may be sold, imported, exported, distributed, installed,  
9 and used after the specified effective date.

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

14 (a) January 1, 2020, for:

15 (i) Propellants;

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

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

22 (b) January 1, 2021, for:

23 (i) Refrigerated food processing and dispensing equipment;

24 (ii) Compact residential consumer refrigeration products;

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

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

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

30 (ii) Vending machines;

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

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

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

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

1 (3) The department may by rule:

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

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

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

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

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

20 ~~(4) ((a) Within twelve months of another state's enactment or  
21 adoption of restrictions on substitutes applicable to new light duty  
22 vehicles, the department may adopt restrictions applicable to the  
23 sale, lease, rental, or other introduction into commerce by a  
24 manufacturer of new light duty vehicles consistent with the  
25 restrictions identified in appendix B, Subpart G of 40 C.F.R. Part  
26 82, as it read on January 3, 2017. The department may not adopt  
27 restrictions that take effect prior to the effective date of  
28 restrictions adopted or enacted in at least one other state.~~

29 ~~(b) If the United States environmental protection agency approves  
30 a previously prohibited hydrofluorocarbon blend with a global warming  
31 potential of seven hundred fifty or less for foam blowing of  
32 polystyrene extruded boardstock and billet and rigid polyurethane  
33 low-pressure two-component spray foam pursuant to the significant new  
34 alternatives policy program under section 7671(k) of the federal  
35 clean air act (42 U.S.C. Sec. 7401 et seq.), the department must  
36 expeditiously propose a rule consistent with RCW 34.05.320 to conform  
37 the requirements established under this section with that federal  
38 action.~~

39 ~~(5) A manufacturer must disclose the substitutes used in its  
40 products or equipment.)~~ The department shall adopt rules requiring



1 that manufacturers disclose the substitutes used in their products or  
2 equipment or to disclose the compliance status of their products or  
3 equipment. That disclosure must take the form of:

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

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

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

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

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

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

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

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

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

16       ~~((7))~~ (6) For the purposes of implementing the restrictions  
17 specified in appendix U of Subpart G of 40 C.F.R. Part 82, as it read  
18 on January 3, 2017, consistent with this section, the department must  
19 interpret the term "aircraft maintenance" to mean activities to  
20 support the production, fabrication, manufacture, rework, inspection,  
21 maintenance, overhaul, or repair of commercial, civil, or military  
22 aircraft, aircraft parts, aerospace vehicles, or aerospace  
23 components.

24       ~~((8) The authority granted by this section to the department for~~  
25 ~~restricting the use of substitutes is supplementary to the~~  
26 ~~department's authority to control air pollution pursuant to chapter~~  
27 ~~70A.15 RCW. Nothing in this section limits the authority of the~~  
28 ~~department under chapter 70A.15 RCW.~~

29       ~~(9))~~ (7) Except where existing equipment is retrofit, the  
30 restrictions of this section do not apply to or limit any use of  
31 commercial refrigeration equipment that was installed or in use prior  
32 to the effective date of the restrictions established in this  
33 section.

34       NEW SECTION. Sec. 8. (1) Within 12 months of another state's  
35 enactment or adoption of restrictions on substitutes applicable to  
36 new light-duty vehicles, the department may adopt restrictions  
37 applicable to the sale, lease, rental, or other introduction into  
38 commerce by a manufacturer of new light-duty vehicles consistent with  
39 the restrictions identified in appendix B, Subpart G of 40 C.F.R.

1 Part 82, as of January 3, 2017. The department may apply an effective  
2 date to the restrictions adopted under this subsection that differs  
3 from the effective date of the restrictions adopted by another state,  
4 but the department may not adopt restrictions that take effect prior  
5 to the effective date of restrictions adopted or enacted in at least  
6 one other state.

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

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

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

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

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

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

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

24 (ii) If the state building code council adopts the safety  
25 standards referenced in (b)(i) of this subsection after January 1,  
26 2023, the restrictions of this subsection may apply to refrigeration  
27 equipment manufactured no earlier than 24 months after the adoption  
28 of the safety standards; and

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

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

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

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

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

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

6 (ii) If the state building code council adopts the safety  
7 standards referenced in (b)(i) of this subsection after January 1,  
8 2023, the restrictions of (a) of this subsection may apply to  
9 refrigeration equipment manufactured no earlier than 24 months after  
10 the adoption of the safety standards.

11 (4) The department shall prohibit the use of refrigerant  
12 substitutes that have a global warming potential of greater than:

13 (a) One hundred fifty for use in new equipment manufactured after  
14 December 31, 2023, for installation in new ice rinks; and

15 (b) Seven hundred fifty for use in new equipment manufactured  
16 after December 31, 2023, for installation in existing ice rinks.

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

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

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

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

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

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

36 (ii) Refrigerants that meet applicable global warming potential  
37 requirements; and

38 (iii) Appropriate training to utilize equipment that meets  
39 applicable global warming potential requirements.

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

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

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

32 (b) The department may scale the requirements adopted under this  
33 section based on the size of the equipment, the facility containing  
34 the equipment, or the business operations of a person responsible for  
35 such emissions. The department may establish delayed effective dates  
36 of requirements applicable to persons and systems associated with  
37 lower emissions of refrigerants than other persons and systems  
38 regulated under this section.

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

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

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

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

26 (7) The department must adopt rules that:

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

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

32 (c) Establish annual reporting requirements for owners or  
33 operators of refrigeration systems or air conditioning systems that  
34 include information about the system, including system service and  
35 leak repair conducted on the system over the preceding year, and  
36 information on the purchase and use of refrigerants in the covered  
37 system during the preceding year;

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

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

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

10 (g) To the maximum extent practicable while giving consideration  
11 to the goals of this chapter, establish recordkeeping and reporting  
12 requirements that are consistent with programs implemented by the  
13 federal environmental protection agency or in other states, and that  
14 minimize compliance costs and regulatory burdens for regulated  
15 parties.

16 (8) The department may adopt rules to establish:

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

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

35 (9) The department may determine, assess, and collect annual fees  
36 from the owners or operators of refrigeration and air conditioning  
37 systems regulated under this section in an amount sufficient to cover  
38 the direct and indirect costs of administering and enforcing the  
39 provisions of this section. All fees collected under this subsection

1 must be deposited in the refrigerant emission management account  
2 created in section 12 of this act.

3 (10) By December 1, 2029, and every five years thereafter, the  
4 department must consider the greenhouse gas emissions reductions  
5 achieved under the program created in this section and the criteria  
6 of section 11(3) of this act, and make a determination whether to  
7 continue to implement the program for the following five years. The  
8 department must notify the appropriate committees of the house of  
9 representatives and the senate of its determination.

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

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

21 (2) The building code council shall adopt rules that allow the  
22 use of substitutes, as defined in section 2 of this act, with a lower  
23 global warming potential than alternative substances, in accordance  
24 with nationally recognized, published standards that protect building  
25 occupant safety and reduce fire risks.

26 (3) The building code council may adopt rules that allow the use  
27 of substitutes, as defined in section 2 of this act, that are under  
28 review but have not yet been approved by the United States  
29 environmental protection agency's significant new alternatives policy  
30 to implement 42 U.S.C. Sec. 7671k, if the substitutes have a lower  
31 global warming potential than alternative substances and meet  
32 nationally recognized, published standards that protect building  
33 occupant safety and reduce fire risks.

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

38 (5) Prior to the adoption of any rules by the building code  
39 council that affect the design or installation of refrigeration or



1 air conditioning systems or that facilitate the use of substitutes  
2 with a low global warming potential in air conditioning systems or  
3 equipment, the building code council may solicit input from affected  
4 parties and parties with expertise in the substitutes or affected  
5 types of systems or equipment including, but not limited to:

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

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

10 NEW SECTION. Sec. 11. (1) The authority granted by this chapter  
11 to the department for restricting the use of substitutes is  
12 supplementary to the department's authority to control air pollution  
13 pursuant to chapter 70A.15 RCW. Nothing in this chapter limits the  
14 authority of the department under chapter 70A.15 RCW.

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

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

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

28 (b) Preempt state authority under this chapter.

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

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

1 (1) The air pollution control account is established in the state  
2 treasury. All receipts collected by or on behalf of the department  
3 from RCW 70A.15.2200(2), and receipts from nonpermit program sources  
4 under RCW 70A.15.2210(1) and 70A.15.2230(7), and all receipts from  
5 RCW 70A.15.5090 and 70A.15.5120 shall be deposited into the account.  
6 Moneys in the account may be spent only after appropriation.  
7 Expenditures from the account may be used only to develop and  
8 implement the provisions of this chapter, chapter 70A.25 RCW, and RCW  
9 70A.45.080 (as recodified by this act).

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

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

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

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

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

24 (3) The air operating permit account is created in the custody of  
25 the state treasurer. All receipts collected by or on behalf of the  
26 department from permit program sources under RCW 70A.15.2210(1),  
27 70A.15.2260, 70A.15.2270, and 70A.15.2230(7) shall be deposited into  
28 the account. Expenditures from the account may be used only for the  
29 activities described in RCW 70A.15.2210(1), 70A.15.2260, 70A.15.2270,  
30 and 70A.15.2230(7). Moneys in the account may be spent only after  
31 appropriation.

32 NEW SECTION. **Sec. 14.** (1) By December 1, 2021, the department  
33 of ecology must provide recommendations to the appropriate committees  
34 of the house of representatives and the senate regarding the optimal  
35 design of a program to address the end-of-life management and  
36 disposal of refrigerants including, but not limited to, ozone-  
37 depleting substances and hydrofluorocarbons. In developing the  
38 recommendations, the department must solicit feedback from  
39 potentially impacted parties and the public, and must consider

1 actions taken by other jurisdictions to incentivize refrigerant reuse  
2 or reclamation. The recommendations may come in the form of draft  
3 legislation.

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

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

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

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

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

19 (1) Any person who knowingly violates any of the provisions of  
20 this chapter or (~~chapter 70A.25 RCW, RCW 70A.45.080~~) chapters  
21 70A.25 and 70A.--- (the new chapter created in section 20 of this  
22 act) RCW, or any ordinance, resolution, or regulation in force  
23 pursuant thereto is guilty of a gross misdemeanor and upon conviction  
24 thereof shall be punished by a fine of not more than ten thousand  
25 dollars, or by imprisonment in the county jail for up to three  
26 hundred sixty-four days, or by both for each separate violation.

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

35 (3) Any person who knowingly releases into the ambient air any  
36 substance listed by the department of ecology as a hazardous air  
37 pollutant, other than in compliance with the terms of an applicable  
38 permit or emission limit, and who knows at the time that he or she  
39 thereby places another person in imminent danger of death or

1 substantial bodily harm, is guilty of a class C felony and shall,  
2 upon conviction, be punished by a fine of not less than fifty  
3 thousand dollars, or by imprisonment for not more than five years, or  
4 both.

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

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

11 (1)(a) Except as provided in RCW 43.05.060 through 43.05.080 and  
12 43.05.150, and in addition to or as an alternate to any other penalty  
13 provided by law, any person who violates any of the provisions of  
14 this chapter, chapter 70A.25 ~~((of))~~, 70A.450, or 70A.--- ~~(the new~~  
15 chapter created in section 20 of this act) RCW, ~~((RCW 70A.45.080,))~~  
16 or any of the rules in force under such chapters or section may incur  
17 a civil penalty in an amount not to exceed ten thousand dollars per  
18 day for each violation. Each such violation shall be a separate and  
19 distinct offense, and in case of a continuing violation, each day's  
20 continuance shall be a separate and distinct violation.

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

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

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

34 (3) Each act of commission or omission which procures, aids or  
35 abets in the violation shall be considered a violation under the  
36 provisions of this section and subject to the same penalty. The  
37 penalties provided in this section shall be imposed pursuant to RCW  
38 43.21B.300.

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

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

14           (5) To secure the penalty incurred under this section, the state  
15 or the authority shall have a lien on any vessel used or operated in  
16 violation of this chapter which shall be enforced as provided in RCW  
17 60.36.050.

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

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

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

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

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

37           (a) By January 1, 2010, using methodologies consistent with those  
38 used by the Pacific Northwest electric power and conservation  
39 planning council in the most recently published regional power plan

1 as it existed on June 12, 2014, or a subsequent date as may be  
2 provided by the department or the commission by rule, each qualifying  
3 utility shall identify its achievable cost-effective conservation  
4 potential through 2019. Nothing in the rule adopted under this  
5 subsection precludes a qualifying utility from using its utility  
6 specific conservation measures, values, and assumptions in  
7 identifying its achievable cost-effective conservation potential. At  
8 least every two years thereafter, the qualifying utility shall review  
9 and update this assessment for the subsequent ten-year period.

10 (b) Beginning January 2010, each qualifying utility shall  
11 establish and make publicly available a biennial acquisition target  
12 for cost-effective conservation consistent with its identification of  
13 achievable opportunities in (a) of this subsection, and meet that  
14 target during the subsequent two-year period. At a minimum, each  
15 biennial target must be no lower than the qualifying utility's pro  
16 rata share for that two-year period of its cost-effective  
17 conservation potential for the subsequent ten-year period.

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

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

37 (iii) Beginning January 1, 2012, and until December 31, 2017, a  
38 qualifying utility with an industrial facility located in a county  
39 with a population between ninety-five thousand and one hundred  
40 fifteen thousand that is directly interconnected with electricity

1 facilities that are capable of carrying electricity at transmission  
2 voltage may use cost-effective conservation from that industrial  
3 facility in excess of its biennial acquisition target to help meet  
4 the immediately subsequent two biennial acquisition targets, such  
5 that no more than twenty-five percent of any biennial target may be  
6 met with excess conservation savings allowed under all of the  
7 provisions of this section combined.

8 (d) In meeting its conservation targets, a qualifying utility may  
9 count high-efficiency cogeneration owned and used by a retail  
10 electric customer to meet its own needs. High-efficiency cogeneration  
11 is the sequential production of electricity and useful thermal energy  
12 from a common fuel source, where, under normal operating conditions,  
13 the facility has a useful thermal energy output of no less than  
14 thirty-three percent of the total energy output. The reduction in  
15 load due to high-efficiency cogeneration shall be: (i) Calculated as  
16 the ratio of the fuel chargeable to power heat rate of the  
17 cogeneration facility compared to the heat rate on a new and clean  
18 basis of a best-commercially available technology combined-cycle  
19 natural gas-fired combustion turbine; and (ii) counted towards  
20 meeting the biennial conservation target in the same manner as other  
21 conservation savings.

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

25 (f) In addition to the requirements of RCW 19.280.030(3), in  
26 assessing the cost-effective conservation required under this  
27 section, a qualifying utility is encouraged to promote the adoption  
28 of air conditioning, as defined in section 2 of this act, with  
29 refrigerants not exceeding a global warming potential of 750 and the  
30 replacement of stationary refrigeration systems that contain ozone-  
31 depleting substances or hydrofluorocarbon refrigerants with a high  
32 global warming potential.

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

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

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

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

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

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

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

13 (d) A qualifying utility shall be considered in compliance with  
14 an annual target in (a) of this subsection if: (i) The utility's  
15 weather-adjusted load for the previous three years on average did not  
16 increase over that time period; (ii) after December 7, 2006, the  
17 utility did not commence or renew ownership or incremental purchases  
18 of electricity from resources other than coal transition power or  
19 renewable resources other than on a daily spot price basis and the  
20 electricity is not offset by equivalent renewable energy credits; and  
21 (iii) the utility invested at least one percent of its total annual  
22 retail revenue requirement that year on eligible renewable resources,  
23 renewable energy credits, or a combination of both.

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

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

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

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

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

39 (iii) A renewable energy credit transferred to an investor-owned  
40 utility pursuant to the Bonneville power administration's residential



1 exchange program may not be used by any utility other than the  
2 utility receiving the credit from the Bonneville power  
3 administration.

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

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

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

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

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

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

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

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

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

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

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

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

10 (k) An industrial facility that hosts a qualified biomass energy  
11 facility may only transfer or sell renewable energy credits  
12 associated with qualified biomass energy generated at its facility to  
13 the qualifying utility with which it is directly interconnected with  
14 facilities owned by such a qualifying utility and that are capable of  
15 carrying electricity at transmission voltage. The qualifying utility  
16 may only use an amount of renewable energy credits associated with  
17 qualified biomass energy that are equivalent to the proportionate  
18 amount of its annual targets under (a)(ii) and (iii) of this  
19 subsection that was created by the load of the industrial facility. A  
20 qualifying utility that owns a qualified biomass energy facility may  
21 not transfer or sell renewable energy credits associated with  
22 qualified biomass energy to another person, entity, or qualifying  
23 utility.

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

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

39 (3) Utilities that become qualifying utilities after December 31,  
40 2006, shall meet the requirements in this section on a time frame

1 comparable in length to that provided for qualifying utilities as of  
2 December 7, 2006.

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

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

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

12 (3) Upon receiving documentation demonstrating that a building  
13 owner qualifies for an incentive under this section, the department  
14 must authorize each applicable entity administering incentive  
15 payments, as provided in RCW 19.27A.240, to make an incentive payment  
16 to the building owner. When a building is served by more than one  
17 entity offering incentives or more than one type of fuel, incentive  
18 payments must be proportional to the energy use intensity reduction  
19 of each specific fuel provided by each entity.

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

23 (a) The building is either: (i) A covered commercial building  
24 subject to the requirements of the standard established under RCW  
25 19.27A.210; or (ii) a multifamily residential building where the  
26 floor area exceeds fifty thousand gross square feet, excluding the  
27 parking garage area;

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

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

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

37 (5) (a) An eligible building owner who meets the requirements of  
38 subsection (4) of this section may submit an application to the  
39 department for an incentive payment in a form and manner prescribed

1 by the department. The application must be submitted in accordance  
2 with the following schedule:

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

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

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

11 (b) The department must review each application and determine  
12 whether the applicant is eligible for the incentive program and if  
13 funds are available for the incentive payment within the limitation  
14 established in RCW 19.27A.230. If the department certifies an  
15 application, it must provide verification to the building owner and  
16 each entity participating as provided in RCW 19.27A.240 and providing  
17 service to the building owner.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (~~(4)~~) (b) Nothing in subsection (3) of this section requires  
31 the department or any other state agency to breach an existing  
32 contract or dispose of stock that has been ordered or is in the  
33 possession of the department or other state agency as of July 28,  
34 2021.

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

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

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

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

8        NEW SECTION.    **Sec. 23.**    If specific funding for the purposes of  
9 this act, referencing this act by bill or chapter number, is not  
10 provided by June 30, 2021, in the omnibus appropriations act, this  
11 act is null and void.

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

**E2SHB 1050** - S COMM AMD

By Committee on Environment, Energy & Technology

16        On page 1, line 2 of the title, after "gases;" strike the  
17 remainder of the title and insert "amending RCW 70A.15.6410,  
18 70A.15.6420, 70A.15.6430, 70A.45.080, 19.27.580, 70A.15.1010,  
19 70A.15.3150, 70A.15.3160, 19.285.040, 19.27A.220, and 39.26.310;  
20 reenacting and amending RCW 70A.45.010; adding a new chapter to Title  
21 70A RCW; creating new sections; recodifying RCW 70A.45.080,  
22 70A.15.6410, 70A.15.6420, and 70A.15.6430; and providing an effective  
23 date."

EFFECT: Modifies the maximum global warming potential of 750 for  
substitutes used in new equipment for ice rinks to apply it to  
existing ice rinks and delays the effective date to January 1, 2024,  
and establishes a maximum global warming potential of 150 for  
substitutes used in new equipment for new ice rinks that takes effect  
on January 1, 2024.

Specifies that prior to adopting rules to implement the global  
warming potential maximums on air conditioning and refrigeration  
equipment, the Department of Ecology must additionally consider the

availability of refrigerants that meet the requirements, and the affordability of equipment, refrigerants, and training to use equipment that meets the requirements.

Following the availability and affordability review, additionally encourages the department to consider delaying the effective date of restrictions if there are significant refrigerant availability limitations, or affordability limitations as applied to equipment, training, or refrigerants.

Requires the department to exempt refrigeration and air conditioning equipment operations associated with a de minimis charging capacity of less than 50 pounds on a system basis, rather than a facility basis, from refrigerant management program requirements.

Directs the department to adopt rules that to the maximum extent practicable while giving consideration to the goals of state ozone-depleting substitute regulation, establish recordkeeping and reporting requirements that are consistent with programs implemented by the federal Environmental Protection Agency (EPA) or in other states, and that minimize compliance costs and regulatory burdens for regulated parties.

By December 1, 2029, and every five years thereafter, requires the department to consider the greenhouse gas emissions reductions achieved under the refrigerant management program and criteria for ceasing requirements based on the duplicity of or preemption by EPA regulations, and make a determination whether to continue to the program for the next five years.

Specifies that the building code council shall adopt rules, including by amending existing rules as necessary, that permit the use of substitutes approved under state law requirements for product manufacture and sale, and that do not require the use of substitutes that are restricted under the same laws.

Directs the building code council to adopt rules that allow the use of low global warming potential substitutes in accordance with nationally recognized, published standards that protect building occupant safety and reduce fire risks, as opposed to adopting rules after soliciting stakeholder input and reviewing applicable fire code provisions or best practices on the same topics.

Authorizes the building code council to adopt rules that allow the use of substitutes that are under review but have not yet been approved by the EPA's Significant New Alternatives Policy, if the substitutes have a lower global warming potential than alternative substances and meet nationally recognized, published standards that protect building occupant safety and reduce fire risks.

Provides that the building code council may, rather than must, solicit input from affected parties and parties with expertise, prior to adoption of rules that affect the design or installation of refrigeration or air conditioning systems or that facilitate the use of low global warming potential substitutes.

--- END ---