

5126-S2.E AMH APP HUGH 024

By Representative Fitzgibbon

E2SSB 5126 - H COMM AMD TO APP COMM AMD (H-1610.1/21)

By Committee on Appropriations

1 On page 20, line 15 of the striking amendment, after "after"
2 insert "conducting an environmental justice assessment and after"

3
4 On page 20, after line 24 of the striking amendment, insert the
5 following:

6 "(5) By December 1, 2027, and at least every four years thereafter
7 and in compliance with RCW 43.01.036, the department must submit a
8 report to the legislature that includes a comprehensive review of the
9 implementation of the program to date, including but not limited to
10 outcomes relative to the state's emissions reductions limits,
11 overburdened communities, covered entities, and emissions-intensive,
12 trade-exposed businesses. The department must transmit the report to
13 the environmental justice council at the same time it is submitted to
14 the legislature."

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16 On page 29, line 2 of the striking amendment, after "distributed."
17 insert "The department must transmit to the environmental justice
18 council an auction notice at least 60 days prior to each auction, as
19 well as a summary results report and a post-auction public proceeds
20 report within 60 days after each auction. The department must
21 communicate the results of the previous calendar year's auctions to
22 the environmental justice council on an annual basis beginning in
23 2024."

24
25 On page 34, line 2 of the striking amendment, after "section."
26 insert "In developing the objective criteria under this subsection,
27 the department must consider the locations of facilities potentially

1 identified as emissions-intensive, trade-exposed manufacturing
2 businesses relative to overburdened communities."

3
4 On page 38, line 37 of the striking amendment, after "facility."
5 insert "For a facility that is built on tribal lands or is determined
6 by the department to impact tribal lands and resources, the protocols
7 must be developed in consultation with the affected tribal nations."

8
9 On page 41, line 17 of the striking amendment, after "(7)" insert
10 "A consumer-owned utility that is party to a contract that meets the
11 following conditions must be issued allowances under this section for
12 emissions associated with imported electricity, in order to prevent
13 impairment of the value of the contract to either party:

14 (a) The contract does not address compliance costs imposed upon
15 the consumer-owned utility by the program created in this chapter; and

16 (b) The contract was in effect as of the effective date of this
17 section, and expires no later than the end of the first compliance
18 period.

19 (8)"

20
21 On page 47, line 12 of the striking amendment, after "determines"
22 insert ", in consultation with the environmental justice council,"

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24 On page 47, line 16 of the striking amendment, after "department"
25 insert ", in consultation with the environmental justice council"

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27 On page 50, line 2 of the striking amendment, after "act." insert
28 "Compliance includes consignment of allowances to auction pursuant to
29 sections 14 and 15 of this act."

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31 On page 50, line 18 of the striking amendment, after "until"
32 strike "separate"

33
34

1 On page 50, beginning on line 25 of the striking amendment, after
2 "total of" strike all material through "account" on line 26 and insert
3 "revenues assumed in the omnibus transportation budget"

4
5 On page 50, at the beginning of line 27 of the striking amendment,
6 strike "attributable solely to separate additive transportation
7 funding" and insert "above the November 2020 state transportation
8 revenue forecast"

9
10 On page 51, line 26 of the striking amendment, after "(8)" insert
11 "An electric utility or natural gas utility must notify its retail
12 customers and the environmental justice council in published form
13 within three months of paying a monetary penalty under this section.

14 (9)"

15
16 On page 54, line 3 of the striking amendment, after "(b)" strike
17 "At" and insert "In addition to the requirements of (a) of this
18 subsection, at"

19
20 On page 56, at the beginning of line 6 of the striking amendment,
21 strike "deposited in the account per biennium" and insert "from
22 allowance auction proceeds under this chapter"

EFFECT: Clarifies that administrative costs are capped at an amount not to exceed 5 percent of the total receipt of funds from allowance auction proceeds under the Cap and Invest Program, rather than 5 percent of the funds deposited into the Climate Investment Account. Requires the protocols developed by the Department of Ecology for the provision of no cost allowances to newly built emissions-intensive, trade-exposed (EITE) facilities to, for a facility that is built on tribal lands or is determined by the Department of Ecology to impact tribal lands and resources, be developed in consultation with the affected tribal nations. Requires the Department of Ecology to conduct an environmental justice assessment before entering into a linkage agreement with other jurisdictions. Requires the Department of Ecology to transmit an auction notice to the Environmental Justice Council at least 60 days prior to each auction, and a summary results report and post-auction proceeds report within 60 days after each auction. Requires the

Department of Ecology to communicate the results of the previous calendar year's auctions to the Environmental Justice Council on an annual basis beginning in 2024. Requires that the Department of Ecology, in adopting by rule objective criteria for both emissions intensity and trade exposure for the purpose of identifying EITE businesses during the second compliance period, consider the locations of facilities potentially identified as EITE businesses relative to overburdened communities. Requires an electric utility or natural gas utility to notify its retail customers and the Environmental Justice Council in published form within three months of paying a monetary penalty for failure to comply with the requirements of the Cap and Invest Program. Clarifies that the 10 percent tribal community expenditure target is additional to the overburdened communities target. Requires the Department of Ecology to, by December 1, 2027, and at least every four years thereafter, submit a report to the Legislature that includes a comprehensive review of the implementation of the Cap and Invest Program to date, including but not limited to outcomes relative to the state's emissions reductions limits, overburdened communities, covered entities, and emissions-intensive, trade-exposed businesses. Requires the Department of Ecology to transmit the report to the Environmental Justice Council at the same time it is submitted to the Legislature. Amends the contingent effective date for compliance obligations under the Cap and Invest Program. Specifies that a consumer-owned utility that is party to a contract that meets certain conditions must be issued no cost allowances for emissions associated with imported electricity. Specifies that compliance includes consignment of allowances to auction as required for electric utilities and natural gas utilities.

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