

ESSB 5466 - H COMM AMD

By Committee on Appropriations

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington has committed to decarbonizing its electricity system so that it is carbon neutral by 2030 and carbon free by 2045. Achieving those goals includes retiring coal and gas resources, adding new generation from renewable and nonemitting resources, and leveraging energy storage technologies. At the same time, demand for electricity is increasing significantly due to the electrification of vehicles, home heating and cooling, and manufacturing, and the expansion of the information services sector in Washington. There are significant federal, state, and private investments in clean energy development, including wind, solar, and battery storage, that support decarbonization goals and supply new electrical load. However, Washington's existing transmission system lacks the capacity to accommodate the growing demand for clean electricity.

(2) The legislature also finds that extreme weather events and changes to seasonal highs and lows puts new strain on the existing transmission system and threatens reliability. Extreme weather events such as high-speed winds, floods, freezing, and heat domes can damage grid infrastructure and cause disruptions to the power supply. Warmer summers and colder winters increase the need for heating and cooling and thereby intensify and extend periods of peak demand.

(3) The legislature further finds that to maintain reliability and build resilience, Washington's transmission system needs to be expanded and upgraded to access diverse portfolios of clean and reliable energy across the region, including solar resources in the southwest and wind resources across the mountain west. A more robust and updated transmission system will support affordability and reliability goals by enabling the efficient dispatch of least-cost resources across the region.

(4) Therefore, it is the intent of the legislature to create the Washington electric transmission authority to improve transmission reliability, resilience, and affordability. The Washington electric transmission authority will serve as a centralized body to achieve these goals by engaging in long-term planning; providing development transmission services; coordinating siting and permitting; leveraging research; and engaging with utilities, transmission developers, local jurisdictions, state agencies, regional entities, the federal government, federally recognized Indian tribes, and affected communities. The legislature intends for the authority to achieve the following goals:

(a) Improve reliability and resilience, including during extreme weather events;

(b) Increase access to low-cost renewable energy;

(c) Achieve clean electricity requirements and greenhouse gas emissions limits;

(d) Support economic growth; and

(e) Maintain affordable energy rates.

PART I - WASHINGTON ELECTRIC TRANSMISSION AUTHORITY

NEW SECTION. **Sec. 2.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Authority" means the Washington electric transmission authority.

(2) "Board of directors" means the authority's board of directors.

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

(4) "Nonwire alternative" means any electrical grid investment that is intended to defer or remove the need to construct or upgrade components of a transmission system.

NEW SECTION. **Sec. 3.** (1) The Washington electric transmission authority is hereby created as a public body. The authority is an instrumentality of the state exercising essential government functions related to electric transmission.

(2) The purpose of the authority is to:

1 (a) Support the expeditious and efficient expansion of new
2 electric transmission capacity within the state that are prudent and
3 needed to serve Washington customers;

4 (b) Prioritize partnerships for new electric transmission
5 projects that increase access to renewable resources and nonemitting
6 electric generation as defined in RCW 19.405.020 connecting to the
7 grid, provide access to regional wholesale markets, or are located in
8 more than one electric utility service territory;

9 (c) Encourage the development of community microgrids,
10 distributed energy resources, and energy conservation;

11 (d) Pursue cost-effective nonwire alternatives to increase the
12 capacity of existing electrical infrastructure;

13 (e) Be a statewide resource for developing and coordinating
14 upgrades to existing transmission lines;

15 (f) Collaborate with electric utilities, independent transmission
16 developers, local jurisdictions, federally recognized Indian tribes,
17 labor unions, neighboring states, regional entities, and the federal
18 government to develop interstate and regional transmission resources;

19 (g) Evaluate opportunities for regional wholesale markets; and

20 (h) Support community and economic development.

21 (3) To the greatest extent practicable, when carrying out its
22 duties, the authority must seek to:

23 (a) Protect cultural and natural resources;

24 (b) Avoid impacts to overburdened communities and vulnerable
25 populations;

26 (c) Support good jobs;

27 (d) Maximize the use of existing rights-of-way for transmission
28 development;

29 (e) Mitigate wildfire risk;

30 (f) Consult in advance with all electric utilities that serve
31 retail customers in areas where a project of the authority may be
32 located; and

33 (g) Coordinate with utilities that operate electric transmission
34 facilities that would be affected by a project of the authority.

35 (4) The authority must employ an executive director, who must be
36 appointed by the board of directors created under section 4 of this
37 act, no earlier than July 1, 2026. Approval by an affirmative vote of
38 at least five members of the board is required for any decisions
39 regarding employment of the executive director. The board may fix the

1 compensation of the executive director. The executive director must
2 employ staff sufficient to accomplish the purposes of this act.

3 (5) The authority must update the transmission needs assessment
4 developed by the department under section 5 of this act no later than
5 October 30, 2031, and no less than every five years thereafter.

6 (6) The authority must submit a report of its activities to the
7 governor and to the appropriate committees of the legislature by
8 December 1, 2025, and annually every July 1st thereafter. The report
9 must include operating and financial statements covering the
10 operations of the authority for the previous fiscal year.

11 (7) The authority and any eligible facilities acquired by the
12 authority are not subject to the supervision, regulation, control, or
13 jurisdiction of the Washington utilities and transportation
14 commission, provided that nothing in this act shall be interpreted to
15 allow an electrical company regulated under Title 80 RCW to include
16 the cost of eligible facilities in its rate base without the approval
17 of the Washington utilities and transportation commission.

18 NEW SECTION. **Sec. 4.** (1) A board of directors is created to
19 hire the executive director and advise the authority on policies that
20 are consistent with the purposes of this chapter.

21 (2) The 10 members of the board are as follows:

22 (a) The director of the department, or the director's designee;

23 (b) One member appointed by the governor with experience working
24 at a consumer-owned utility;

25 (c) One member appointed by the governor with experience working
26 at an investor-owned utility;

27 (d) One member appointed by the governor with knowledge of land
28 use planning and law and local permitting processes;

29 (e) One member appointed by the governor with expertise in clean
30 energy development;

31 (f) One member appointed by the governor with expertise in
32 ratepayer protection;

33 (g) One member appointed by the governor representing electrical
34 workers with expertise in building electric transmission;

35 (h) One member appointed by the governor with experience
36 financing large infrastructure projects;

37 (i) One member appointed by the governor with knowledge of
38 wildlife conservation and land use policies; and

(j) One member appointed by the governor from a federally recognized Indian tribe, including federally recognized Indian tribes whose reservation or ceded lands lie in Washington state.

(3) No member may represent a person that owns or operates electric generating or transmission facilities.

(4) Members of the board appointed by the governor must serve four-year terms. However, the governor must stagger the terms of six of the initial appointees for terms of one, two, and three years. At the end of the term, these members may be reappointed by the governor, or the governor may choose to appoint a new member.

(5) Decisions of the board require a simple majority vote of all the members on the board.

(6) Members of the board must elect a chair from among its membership to serve for a two-year period.

(7) The board must meet at least quarterly.

(8) The department must provide staff support to the board.

(9) Members of the board must serve without additional compensation but must be reimbursed for travel expenses as provided by RCW 43.03.050 and 43.03.060.

NEW SECTION. **Sec. 5.** A new section is added to chapter 43.330 RCW to read as follows:

(1) The department must:

(a) Develop and adopt a 20-year transmission needs assessment.

(i) The needs assessment must:

(A) Identify high priority corridors that are needed to meet current and forecasted transmission demand, including whether new transmission lines could be built on existing rights-of-way. High priority corridor identification must include:

(I) The forecasted transmission and interconnection demands of clean energy projects sited in Washington necessary to meet clean energy transformation act targets under RCW 19.405.010; and

(II) Lower conflict siting approaches to identify areas with forecasted transmission demands for in-state clean energy generation, such as areas identified in the Washington state university least-conflict solar siting process, the United States department of energy renewable energy siting through technical engagement and planning program, or clean energy zones identified by the state;

(B) Identify investments in existing transmission lines, such as grid-enhancing technologies and reconductoring with advanced

conductors, that can unlock additional capacity and improve network performance to alleviate the need for new transmission lines;

(C) Identify and evaluate non-wires alternatives, such as demand response, energy storage, microgrids, and energy efficiency;

(D) Identify for the authority regional and interregional transmission forums, and opportunities to coordinate, investigate, plan, prioritize, and negotiate with entities within and outside the state for the establishment of interstate transmission corridors;

(E) Coordinate with and provide transmission-related expertise to relevant state agencies;

(F) Consider opportunities to colocate transmission corridors along existing rights-of-way for other infrastructure; and

(G) Align with the state energy strategy as defined in RCW 43.21F.025.

(ii) When developing the needs assessment, the department may consider existing planning already completed by electric utilities in Washington state and consult the board of directors about using existing transmission plans developed by regional or federal entities and must avoid, to the greatest extent practicable, duplicating plans or related analysis already produced by and made available by such entities.

(iii) The department must begin working on the first needs assessment no earlier than July 1, 2026, and must complete the first needs assessment by October 30, 2027;

(b) Provide assistance to local governments and tribal governments that are permitting the construction and operation of electric transmission projects which includes, but is not limited to, easily accessible information on advanced transmission technologies in Washington and identifying applicable codes and ordinances that support transmission facilities for the purpose of providing frameworks that local and tribal governments may consider and adopt to suit local circumstances;

(c) Identify the appropriate debt financing instruments needed to improve capacity to develop electric transmission in Washington. The department may consult with the office of the state treasurer and the office of the attorney general. By November 1, 2025, the department must submit a report that analyzes financing options for the authority and provides recommendations to the governor and the appropriate committees of the legislature.

(2) The definitions in section 2 of this act apply throughout this section unless the context clearly requires otherwise.

NEW SECTION. **Sec. 6.** The authority may:

(1) Adopt rules and operating procedures as necessary to implement the authority's responsibilities in this chapter, except that the authority may not adopt rules to direct cost allocation of transmission resources;

(2) Utilize the services of executive departments of the state upon mutually agreeable terms and conditions;

(3) Exercise the power of eminent domain as outlined under the provisions of chapter 8.04 RCW only for land acquisition necessary to secure property or rights-of-way for new transmission corridors for public use consistent with the purposes of this act;

(4) Enter into contracts and agreements;

(5) Solicit, receive, and expend gifts, grants, and donations;

(6) Apply for and accept federal loans and related assistance;

(7)(a) Enter into partnerships with public or private entities, which may include a fee schedule for services provided under a partnership; and

(b) When entering into partnerships on transmission projects:

(i) Serve as the state environmental policy act lead for the project proponent; and

(ii) Serve as tribal consultation lead pursuing reasonable efforts to facilitate government-to-government consultation regarding the entities' partnership with federally recognized Indian tribes affected by the partnership;

(8) Engage in transmission planning activities with entities within and outside the state of Washington, along with regional and interregional cost allocation process discussions;

(9) Lease, purchase, accept donations of, or otherwise own, hold, improve, or use any property;

(10) Sell, lease, exchange, or otherwise dispose of any property;

(11)(a) Own electric transmission equipment and systems;

(b) Ownership of transmission facilities by the authority may not exceed the extent and duration necessary or useful to promote the public interest. Before becoming an owner or partial owner of any electric transmission facilities, the authority must develop and publish a plan identifying:

(i) The public purposes of the authority's ownership;

1 (ii) The conditions that would make the authority's ownership no
2 longer necessary for accomplishing those public purposes; and

3 (iii) A plan to divest the authority of ownership of the facility
4 as soon as economically prudent once those conditions occur;

5 (12)(a) Select a qualified transmission builder or operator, as
6 defined by the authority in rule, to build, finance, plan, acquire,
7 maintain, or operate an electric transmission project;

8 (b) Before developing a project, the authority must adopt
9 criteria in rule for when the authority may proceed to construction
10 in the absence of selecting a qualified transmission builder only as
11 a last resort in instances where the authority identifies a pressing
12 need for a project and there is no ready and willing qualified
13 transmission builder;

14 (13) Sell a state-owned electric transmission project at any
15 stage of development.

16 (a) The authority may sell a project to an electric utility
17 serving customers in the state of Washington, a joint operating
18 agency formed under RCW 43.52.360, the Bonneville power
19 administration, an independent transmission developer, or an
20 independent system operator.

21 (b) Before selling a project that is not part of a partnership
22 agreement, the authority must adopt criteria in rule for developing a
23 transparent process including issuing a competitive request for
24 proposals, evaluating proposals, and selecting a project buyer.

25 (c) The authority is not required to sell to the highest bidder.
26 The authority must adopt criteria in rule to determine when the
27 authority would continue developing or owning a project after
28 receiving bids on a request for proposal if it determines, after a
29 thorough internal examination, that it is in the best interest of the
30 public to continue owning the project; and

31 (14) Adopt criteria in rule for an initial local investment
32 commitment fee and annual local investment commitment fee for high
33 voltage projects that the authority develops, owns, or sells under
34 this chapter. Rule making will provide that the fees are distributed
35 among counties, cities, towns, and federally recognized Indian
36 tribes, including federally recognized Indian tribes whose
37 reservation or ceded lands lie in Washington state, in proportion to
38 the project's impact, and that the fees are appurtenant to the
39 project such that the assessed fees are transferred with the title if
40 the project is sold.

1 NEW SECTION. **Sec. 7.** The electric transmission operating
2 account is created in the state treasury. All receipts from
3 appropriations made by the legislature, federal funds, or gifts or
4 grants from the private sector or foundations and other sources must
5 be deposited in the account. Moneys in the account may be spent only
6 after appropriation. Expenditures from the account may be used only
7 for operating cost purposes consistent with this chapter.

8 NEW SECTION. **Sec. 8.** The electric transmission capital account
9 is created in the state treasury. All moneys received for the
10 acquisition, sale, management, and administration of the authority's
11 duties under this chapter for electric transmission projects
12 including, but not limited to, proceeds from the sale of land and/or
13 improvements, fees collected for services provided to transmission
14 developers, local investment commitment fees, interest earned on
15 investments in the account, and all other revenue related to electric
16 transmission projects created or acquired pursuant to this chapter
17 must be deposited into the account. The account is authorized to
18 receive fund transfers and appropriations from the general fund, as
19 well as gifts, grants, and endowments from public or private sources
20 as may be made from time to time. Moneys in the account may be spent
21 only after appropriation. Expenditures from the account may be used
22 by the executive director of the authority, or the executive
23 director's designee, to reimburse management costs incurred by the
24 authority on electric transmission projects, for the acquisition of
25 interests in land or other real property to be managed as electric
26 transmission projects, and for all other nonoperating cost purposes
27 consistent with this chapter.

28 NEW SECTION. **Sec. 9.** (1) Information obtained by the authority
29 that is critical energy infrastructure information or proprietary
30 technical or business information shall be confidential and not
31 subject to inspection or disclosure pursuant to chapter 42.56 RCW.

32 (2) For the purposes of this section, the following definitions
33 apply:

34 (a) "Critical energy infrastructure" means systems and assets,
35 whether physical or virtual, the incapacity or destruction of which
36 threatens to disrupt or diminish the supply of energy to the extent
37 that the public health, safety, and general welfare may be
38 jeopardized.

(b) "Critical energy infrastructure information" means information regarding critical energy infrastructure where the information:

(i) Contains records of actual, potential, or threatened interference with, attacks on, compromise of, or incapacitation of critical energy infrastructure or protected systems by either physical or computer-based attacks, or other similar conduct that violates federal, state, or local law, harms interstate commerce of Washington state or the United States, or threatens to disrupt or diminish the supply of energy to the extent that the public health, safety, and general welfare may be jeopardized; or

(ii) Does not simply give the general location of or relay publicly available information about the critical energy infrastructure.

PART II - APPLICATION OF THE STATE ENVIRONMENTAL POLICY ACT TO TRANSMISSION IMPROVEMENTS

NEW SECTION. **Sec. 10.** A new section is added to chapter 43.21C RCW to read as follows:

(1) The following utility-related activities for existing electric transmission lines of 115,000 volts and above, except activities undertaken wholly or partly on lands covered by water, are categorically exempt from compliance with this chapter:

(a) Upgrading and rebuilding within an existing right-of-way;

(b) Relocating segments of transmission lines within an existing right-of-way or within adjacent previously disturbed or developed lands; and

(c) Widening an existing transmission line right-of-way only as needed to meet current applicable electrical standards. Any such widening must be within previously disturbed or developed lands.

(2) Exceptions or limitations to categorical exemptions adopted by the department pursuant to RCW 43.21C.110(1)(a) shall apply to the categorical exemption created in this section.

(3) For the purposes of this section, the following definitions shall apply:

(a) "Previously disturbed or developed" refers to land that has been changed such that its functioning ecological processes have been and remain altered by human activity. The phrase encompasses areas that have been transformed from natural cover to nonnative species or

1 a managed state including, but not limited to, utility and electric
2 power transmission corridors and rights-of-way, and other areas where
3 active utilities and currently used roads are readily available.

4 (b) "Upgrading or rebuilding" includes any repair, maintenance,
5 replacement, modification or upgrade (including, but not limited to,
6 increases in voltage, reconductoring, installation of grid-enhancing
7 or optimizing technologies, or the relocation or addition of utility
8 poles) to any existing electric transmission powerlines and any
9 associated infrastructure.

10 NEW SECTION. **Sec. 11.** A new section is added to chapter 43.21C
11 RCW to read as follows:

12 (1) For a project that is categorically exempt under section 10
13 of this act, the following steps must be taken to ensure that the
14 proposed activity avoids, minimizes, or mitigates harm to tribal,
15 archaeological, historic, sacred, or cultural resources:

16 (a) The permitting jurisdiction must notify the department of
17 archaeology and historic preservation created in chapter 43.334 RCW
18 that the project is categorically exempt under section 10 of this
19 act.

20 (b) Within seven business days of being notified that the project
21 is categorically exempt under section 10 of this act, the department
22 of archaeology and historic preservation must notify each federally
23 recognized Indian tribe with tribal lands and/or lands with rights
24 reserved or protected by federal treaty, statute, or executive order
25 in the area where the right-of-way exists.

26 (c) Each federally recognized Indian tribe notified under (b) of
27 this subsection that wishes to request a survey to identify potential
28 tribal, archaeological, historic, sacred, or cultural resources
29 within the impacted right-of-way must indicate that to the department
30 of archaeology and historic preservation within 30 days of the
31 notification provided in (b) of this subsection.

32 (d) If a resources survey is requested under (c) of this
33 subsection, the department of archaeology and historic preservation
34 must coordinate with the impacted tribes that requested the resources
35 survey pursuant to (c) of this subsection and the project applicant
36 to conduct the resources survey.

37 (e)(i) If any such resources are identified, the permitting
38 jurisdiction and the department of archaeology and historic
39 preservation must work with the project applicant and the impacted

1 tribes to develop a plan to avoid, mitigate, or minimize harm to the
2 affected resources.

3 (ii) Such a plan must be developed and approved or not approved
4 by the impacted tribe within 180 days of identifying any such
5 resources.

6 (A) If the impacted tribe and the project proponent approve the
7 plan, the plan must be a condition of the permit.

8 (B) If the impacted tribe and the project proponent do not
9 approve the plan, the project must be reviewed under this chapter. A
10 review under this section is limited to a determination of whether
11 the project is likely to have a probable significant adverse impact
12 on historical and cultural preservation, and the review must be
13 informed by the results of the survey conducted in (d) of this
14 subsection.

15 (2) Information provided by federally recognized Indian tribes
16 must be kept confidential and exempt from public disclosure under
17 chapter 42.56 RCW.

18 (3) Costs accrued to the permitting jurisdiction pursuant to this
19 section are recoverable from the project applicant.

20 **PART III - COUNTY PERMITS FOR ELECTRIC TRANSMISSION PROJECTS**

21 NEW SECTION. **Sec. 12.** A new section is added to chapter 36.01
22 RCW to read as follows:

23 (1) Each county must adopt a permitting process for electrical
24 transmission line activities, including any building, upgrading, or
25 rebuilding activities, on lines 115,000 volts and above that are
26 located solely in the county.

27 (2) If an electrical transmission line activity is categorically
28 exempt from the state environmental policy act in accordance with
29 section 10 of this act, the county must notify the department of
30 archaeology and historic preservation so that the department of
31 archaeology and historic preservation may fulfill its obligations
32 under section 11 of this act.

33 (3) Each county that is not yet in compliance with this section
34 must adopt or amend by ordinance, and incorporate into their
35 development regulations, zoning regulations, and other official
36 controls the requirements of this section by:

1 (a) Six months after the county's next comprehensive plan update,
2 if the county is required in RCW 36.70A.130(5) (c) and (d) to conduct
3 a comprehensive plan in 2026 or 2027; and

4 (b) December 31, 2027, for all other counties.

5 (4) Each county included in subsection (3)(b) of this section
6 that takes action in compliance with this section because it does not
7 yet have or is developing a permitting process for electrical
8 transmission line activities is eligible for a grant from the
9 department of commerce in an amount up to \$12,000 to cover the costs
10 of complying with this section.

11 NEW SECTION. **Sec. 13.** A new section is added to chapter 36.70A
12 RCW to read as follows:

13 Each county required to conduct a comprehensive plan update in
14 RCW 36.70A.130(5) (c) and (d) must adopt a permitting process for
15 electrical transmission line activities and otherwise comply with the
16 requirements in section 12 of this act within six months after the
17 county's next periodic comprehensive plan update.

18 **PART IV - MISCELLANEOUS**

19 **Sec. 14.** RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12
20 are each reenacted and amended to read as follows:

21 (1) All earnings of investments of surplus balances in the state
22 treasury shall be deposited to the treasury income account, which
23 account is hereby established in the state treasury.

24 (2) The treasury income account shall be utilized to pay or
25 receive funds associated with federal programs as required by the
26 federal cash management improvement act of 1990. The treasury income
27 account is subject in all respects to chapter 43.88 RCW, but no
28 appropriation is required for refunds or allocations of interest
29 earnings required by the cash management improvement act. Refunds of
30 interest to the federal treasury required under the cash management
31 improvement act fall under RCW 43.88.180 and shall not require
32 appropriation. The office of financial management shall determine the
33 amounts due to or from the federal government pursuant to the cash
34 management improvement act. The office of financial management may
35 direct transfers of funds between accounts as deemed necessary to
36 implement the provisions of the cash management improvement act, and
37 this subsection. Refunds or allocations shall occur prior to the

distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the ambulance transport fund, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the

1 administrative subaccount of the drinking water assistance account,
2 the early learning facilities development account, the early learning
3 facilities revolving account, the Eastern Washington University
4 capital projects account, the education construction fund, the
5 education legacy trust account, the election account, the electric
6 transmission capital account, the electric vehicle account, the
7 energy freedom account, the energy recovery act account, the
8 essential rail assistance account, The Evergreen State College
9 capital projects account, the fair start for kids account, the family
10 medicine workforce development account, the ferry bond retirement
11 fund, the fish, wildlife, and conservation account, the freight
12 mobility investment account, the freight mobility multimodal account,
13 the grade crossing protective fund, the higher education retirement
14 plan supplemental benefit fund, the Washington student loan account,
15 the highway bond retirement fund, the highway infrastructure account,
16 the highway safety fund, the hospital safety net assessment fund, the
17 Interstate 5 bridge replacement project account, the Interstate 405
18 and state route number 167 express toll lanes account, the judges'
19 retirement account, the judicial retirement administrative account,
20 the judicial retirement principal account, the limited fish and
21 wildlife account, the local leasehold excise tax account, the local
22 real estate excise tax account, the local sales and use tax account,
23 the marine resources stewardship trust account, the medical aid
24 account, the money-purchase retirement savings administrative
25 account, the money-purchase retirement savings principal account, the
26 motor vehicle fund, the motorcycle safety education account, the move
27 ahead WA account, the move ahead WA flexible account, the multimodal
28 transportation account, the multiuse roadway safety account, the
29 municipal criminal justice assistance account, the oyster reserve
30 land account, the pension funding stabilization account, the
31 perpetual surveillance and maintenance account, the pilotage account,
32 the pollution liability insurance agency underground storage tank
33 revolving account, the public employees' retirement system plan 1
34 account, the public employees' retirement system combined plan 2 and
35 plan 3 account, the public facilities construction loan revolving
36 account, the public health supplemental account, the public works
37 assistance account, the Puget Sound capital construction account, the
38 Puget Sound ferry operations account, the Puget Sound Gateway
39 facility account, the Puget Sound taxpayer accountability account,
40 the real estate appraiser commission account, the recreational

1 vehicle account, the regional mobility grant program account, the
2 reserve officers' relief and pension principal fund, the resource
3 management cost account, the rural arterial trust account, the rural
4 mobility grant program account, the rural Washington loan fund, the
5 second injury fund, the sexual assault prevention and response
6 account, the site closure account, the skilled nursing facility
7 safety net trust fund, the small city pavement and sidewalk account,
8 the special category C account, the special wildlife account, the
9 state hazard mitigation revolving loan account, the state investment
10 board expense account, the state investment board commingled trust
11 fund accounts, the state patrol highway account, the state
12 reclamation revolving account, the state route number 520 civil
13 penalties account, the state route number 520 corridor account, the
14 statewide broadband account, the statewide tourism marketing account,
15 the supplemental pension account, the Tacoma Narrows toll bridge
16 account, the teachers' retirement system plan 1 account, the
17 teachers' retirement system combined plan 2 and plan 3 account, the
18 tobacco prevention and control account, the tobacco settlement
19 account, the toll facility bond retirement account, the
20 transportation 2003 account (nickel account), the transportation
21 equipment fund, the JUDY transportation future funding program
22 account, the transportation improvement account, the transportation
23 improvement board bond retirement account, the transportation
24 infrastructure account, the transportation partnership account, the
25 traumatic brain injury account, the tribal opioid prevention and
26 treatment account, the University of Washington bond retirement fund,
27 the University of Washington building account, the voluntary cleanup
28 account, the volunteer firefighters' relief and pension principal
29 fund, the volunteer firefighters' and reserve officers'
30 administrative fund, the vulnerable roadway user education account,
31 the Washington judicial retirement system account, the Washington law
32 enforcement officers' and firefighters' system plan 1 retirement
33 account, the Washington law enforcement officers' and firefighters'
34 system plan 2 retirement account, the Washington public safety
35 employees' plan 2 retirement account, the Washington school
36 employees' retirement system combined plan 2 and 3 account, the
37 Washington state patrol retirement account, the Washington State
38 University building account, the Washington State University bond
39 retirement fund, the water pollution control revolving administration
40 account, the water pollution control revolving fund, the Western

1 Washington University capital projects account, the Yakima integrated
2 plan implementation account, the Yakima integrated plan
3 implementation revenue recovery account, and the Yakima integrated
4 plan implementation taxable bond account. Earnings derived from
5 investing balances of the agricultural permanent fund, the normal
6 school permanent fund, the permanent common school fund, the
7 scientific permanent fund, and the state university permanent fund
8 shall be allocated to their respective beneficiary accounts.

9 (b) Any state agency that has independent authority over accounts
10 or funds not statutorily required to be held in the state treasury
11 that deposits funds into a fund or account in the state treasury
12 pursuant to an agreement with the office of the state treasurer shall
13 receive its proportionate share of earnings based upon each account's
14 or fund's average daily balance for the period.

15 (5) In conformance with Article II, section 37 of the state
16 Constitution, no treasury accounts or funds shall be allocated
17 earnings without the specific affirmative directive of this section.

18 **Sec. 15.** RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13
19 are each reenacted and amended to read as follows:

20 (1) All earnings of investments of surplus balances in the state
21 treasury shall be deposited to the treasury income account, which
22 account is hereby established in the state treasury.

23 (2) The treasury income account shall be utilized to pay or
24 receive funds associated with federal programs as required by the
25 federal cash management improvement act of 1990. The treasury income
26 account is subject in all respects to chapter 43.88 RCW, but no
27 appropriation is required for refunds or allocations of interest
28 earnings required by the cash management improvement act. Refunds of
29 interest to the federal treasury required under the cash management
30 improvement act fall under RCW 43.88.180 and shall not require
31 appropriation. The office of financial management shall determine the
32 amounts due to or from the federal government pursuant to the cash
33 management improvement act. The office of financial management may
34 direct transfers of funds between accounts as deemed necessary to
35 implement the provisions of the cash management improvement act, and
36 this subsection. Refunds or allocations shall occur prior to the
37 distributions of earnings set forth in subsection (4) of this
38 section.

1 (3) Except for the provisions of RCW 43.84.160, the treasury
2 income account may be utilized for the payment of purchased banking
3 services on behalf of treasury funds including, but not limited to,
4 depository, safekeeping, and disbursement functions for the state
5 treasury and affected state agencies. The treasury income account is
6 subject in all respects to chapter 43.88 RCW, but no appropriation is
7 required for payments to financial institutions. Payments shall occur
8 prior to distribution of earnings set forth in subsection (4) of this
9 section.

10 (4) Monthly, the state treasurer shall distribute the earnings
11 credited to the treasury income account. The state treasurer shall
12 credit the general fund with all the earnings credited to the
13 treasury income account except:

14 (a) The following accounts and funds shall receive their
15 proportionate share of earnings based upon each account's and fund's
16 average daily balance for the period: The abandoned recreational
17 vehicle disposal account, the aeronautics account, the Alaskan Way
18 viaduct replacement project account, the budget stabilization
19 account, the capital vessel replacement account, the capitol building
20 construction account, the Central Washington University capital
21 projects account, the charitable, educational, penal and reformatory
22 institutions account, the Chehalis basin account, the Chehalis basin
23 taxable account, the clean fuels credit account, the clean fuels
24 transportation investment account, the cleanup settlement account,
25 the climate active transportation account, the climate transit
26 programs account, the Columbia river basin water supply development
27 account, the Columbia river basin taxable bond water supply
28 development account, the Columbia river basin water supply revenue
29 recovery account, the common school construction fund, the community
30 forest trust account, the connecting Washington account, the county
31 arterial preservation account, the county criminal justice assistance
32 account, the covenant homeownership account, the deferred
33 compensation administrative account, the deferred compensation
34 principal account, the department of licensing services account, the
35 department of retirement systems expense account, the developmental
36 disabilities community services account, the diesel idle reduction
37 account, the opioid abatement settlement account, the drinking water
38 assistance account, the administrative subaccount of the drinking
39 water assistance account, the early learning facilities development
40 account, the early learning facilities revolving account, the Eastern

1 Washington University capital projects account, the education
2 construction fund, the education legacy trust account, the election
3 account, the electric transmission capital account, the electric
4 vehicle account, the energy freedom account, the energy recovery act
5 account, the essential rail assistance account, The Evergreen State
6 College capital projects account, the fair start for kids account,
7 the family medicine workforce development account, the ferry bond
8 retirement fund, the fish, wildlife, and conservation account, the
9 freight mobility investment account, the freight mobility multimodal
10 account, the grade crossing protective fund, the higher education
11 retirement plan supplemental benefit fund, the Washington student
12 loan account, the highway bond retirement fund, the highway
13 infrastructure account, the highway safety fund, the hospital safety
14 net assessment fund, the Interstate 5 bridge replacement project
15 account, the Interstate 405 and state route number 167 express toll
16 lanes account, the judges' retirement account, the judicial
17 retirement administrative account, the judicial retirement principal
18 account, the limited fish and wildlife account, the local leasehold
19 excise tax account, the local real estate excise tax account, the
20 local sales and use tax account, the marine resources stewardship
21 trust account, the medical aid account, the money-purchase retirement
22 savings administrative account, the money-purchase retirement savings
23 principal account, the motor vehicle fund, the motorcycle safety
24 education account, the move ahead WA account, the move ahead WA
25 flexible account, the multimodal transportation account, the multiuse
26 roadway safety account, the municipal criminal justice assistance
27 account, the oyster reserve land account, the pension funding
28 stabilization account, the perpetual surveillance and maintenance
29 account, the pilotage account, the pollution liability insurance
30 agency underground storage tank revolving account, the public
31 employees' retirement system plan 1 account, the public employees'
32 retirement system combined plan 2 and plan 3 account, the public
33 facilities construction loan revolving account, the public health
34 supplemental account, the public works assistance account, the Puget
35 Sound capital construction account, the Puget Sound ferry operations
36 account, the Puget Sound Gateway facility account, the Puget Sound
37 taxpayer accountability account, the real estate appraiser commission
38 account, the recreational vehicle account, the regional mobility
39 grant program account, the reserve officers' relief and pension
40 principal fund, the resource management cost account, the rural

1 arterial trust account, the rural mobility grant program account, the
2 rural Washington loan fund, the second injury fund, the sexual
3 assault prevention and response account, the site closure account,
4 the skilled nursing facility safety net trust fund, the small city
5 pavement and sidewalk account, the special category C account, the
6 special wildlife account, the state hazard mitigation revolving loan
7 account, the state investment board expense account, the state
8 investment board commingled trust fund accounts, the state patrol
9 highway account, the state reclamation revolving account, the state
10 route number 520 civil penalties account, the state route number 520
11 corridor account, the statewide broadband account, the statewide
12 tourism marketing account, the supplemental pension account, the
13 Tacoma Narrows toll bridge account, the teachers' retirement system
14 plan 1 account, the teachers' retirement system combined plan 2 and
15 plan 3 account, the tobacco prevention and control account, the
16 tobacco settlement account, the toll facility bond retirement
17 account, the transportation 2003 account (nickel account), the
18 transportation equipment fund, the JUDY transportation future funding
19 program account, the transportation improvement account, the
20 transportation improvement board bond retirement account, the
21 transportation infrastructure account, the transportation partnership
22 account, the traumatic brain injury account, the tribal opioid
23 prevention and treatment account, the University of Washington bond
24 retirement fund, the University of Washington building account, the
25 voluntary cleanup account, the volunteer firefighters' relief and
26 pension principal fund, the volunteer firefighters' and reserve
27 officers' administrative fund, the vulnerable roadway user education
28 account, the Washington judicial retirement system account, the
29 Washington law enforcement officers' and firefighters' system plan 1
30 retirement account, the Washington law enforcement officers' and
31 firefighters' system plan 2 retirement account, the Washington public
32 safety employees' plan 2 retirement account, the Washington school
33 employees' retirement system combined plan 2 and 3 account, the
34 Washington state patrol retirement account, the Washington State
35 University building account, the Washington State University bond
36 retirement fund, the water pollution control revolving administration
37 account, the water pollution control revolving fund, the Western
38 Washington University capital projects account, the Yakima integrated
39 plan implementation account, the Yakima integrated plan
40 implementation revenue recovery account, and the Yakima integrated

1 plan implementation taxable bond account. Earnings derived from
2 investing balances of the agricultural permanent fund, the normal
3 school permanent fund, the permanent common school fund, the
4 scientific permanent fund, and the state university permanent fund
5 shall be allocated to their respective beneficiary accounts.

6 (b) Any state agency that has independent authority over accounts
7 or funds not statutorily required to be held in the state treasury
8 that deposits funds into a fund or account in the state treasury
9 pursuant to an agreement with the office of the state treasurer shall
10 receive its proportionate share of earnings based upon each account's
11 or fund's average daily balance for the period.

12 (5) In conformance with Article II, section 37 of the state
13 Constitution, no treasury accounts or funds shall be allocated
14 earnings without the specific affirmative directive of this section.

15 NEW SECTION. **Sec. 16.** Section 14 of this act expires July 1,
16 2028.

17 NEW SECTION. **Sec. 17.** Section 15 of this act takes effect July
18 1, 2028.

19 NEW SECTION. **Sec. 18.** Sections 2 through 4 and 6 through 9 of
20 this act constitute a new chapter in Title 43 RCW.

21 NEW SECTION. **Sec. 19.** If specific funding for the purposes of
22 this act, referencing this act by bill or chapter number, is not
23 provided by June 30, 2025, in the omnibus appropriations act, this
24 act is null and void."

25 Correct the title.

EFFECT: Strikes the underlying bill and makes the highlighted
changes to the underlying bill:

- Modifies the purposes of the Washington Electric Transmission Authority (Authority) by: (1) Adding a purpose to prioritize support for new transmission projects that connect renewable and nonemitting resources to the grid, are in more than one utility service territory, or involve a partnership; (2) modifying the purpose related to community microgrids, distributed energy resources, and energy conservation by changing the Authority's purpose to encourage, rather than support, these items; and (3) including federally recognized Indian tribes and labor unions in the list of entities with which the Authority's purpose is to collaborate with.

- Modifies the Authority's board by including two representatives with experience working at utilities and by modifying the description of the member from a federally recognized Indian tribe.
- Specifies that the Authority may not adopt rules to direct cost allocation of transmission resources.
- Modifies the State Environmental Policy Act (SEPA) categorical exemptions, including by including that the exceptions or limitations adopted pursuant to RCW 43.21C.110(1)(a) apply, adding definitions for "previously disturbed or developed" and "upgrading and rebuilding," and specifying that the exemptions do not apply to activities undertaken wholly or partly on lands covered by water rather than on lands covered by water or underwater.
- Replaces the section requiring a review of resources for projects that are categorically exempt from SEPA under the bill with modified requirements for such projects, which include roles for permitting jurisdictions, the Department of Archaeology and Historic Preservation, federally recognized Indian tribes, and project applicants in an outlined process with timelines to ensure the categorically exempt activities avoid, minimize, or mitigate harm to tribal, archaeological, historic, sacred, or cultural resources.
- Requires all counties to adopt a permitting process for certain electrical transmission line activities by specific dates and authorizes counties without such permitting processes to be eligible for an up to \$12,000 grant from the Department of Commerce (Commerce).
- Removes the incentive rate of return section for electric utility investments in grid-enhancing technologies and reconductoring with advanced conductors.
- Removes the reference to distribution systems in the definition of "nonwire alternative."
- Modifies a purpose of the Authority by specifying that the Authority's purpose is to prioritize any partnership, rather than to support new projects that involve a partnership between the Authority and a utility, and by adding that the Authority's purpose includes providing access to wholesale markets.
- Includes in the list of what the Authority must seek to do when carrying out its duties that the Authority must seek to consult in advance with electric utilities serving customers in areas where a project of the Authority may be located and must seek to coordinate with utilities operating transmission facilities that would be affected by a project of the Authority.
- Specifies that the Authority's board of directors may not appoint the executive director for the Authority any earlier than July 1, 2026.
- Requires Commerce to begin working on the first needs assessment no earlier than July 1, 2026, and to complete the needs assessment by October 30, 2027, rather than to complete the needs assessment by October 30, 2026.
- Requires that plans to avoid, mitigate, or minimize harm to resources identified in a survey of tribal, archaeological, historic, sacred, or cultural resources within the right-of-way of a categorically exempt transmission project under the bill must be approved or not approved by both the federally recognized Indian tribe and the project proponent, instead of by only the federally recognized Indian tribe, in order to become a condition of the permit if approved or to require a limited SEPA review if not approved.

- Adds a null and void clause, making the bill null and void unless funded in the budget.

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