
HOUSE BILL 1050

State of Washington

67th Legislature

2021 Regular Session

By Representative Fitzgibbon

Prefiled 12/23/20.

1 AN ACT Relating to reducing greenhouse gas emissions from
2 fluorinated gases; amending RCW 70A.15.6410, 70A.15.6420,
3 70A.15.6430, 70A.45.080, 19.27.580, 70A.15.3150, 70A.15.3160,
4 19.285.040, 19.27A.220, and 39.26.310; reenacting and amending RCW
5 70A.45.010; adding a new chapter to Title 70A RCW; creating a new
6 section; and recodifying RCW 70A.45.080, 70A.15.6410, 70A.15.6420,
7 and 70A.15.6430.

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

9 NEW SECTION. **Sec. 1.** (1) The legislature finds that
10 hydrofluorocarbons are air pollutants that pose significant threats
11 to our environment. Although hydrofluorocarbons currently represent a
12 small proportion of the state's greenhouse gas emissions, emissions
13 of hydrofluorocarbons have been rapidly increasing in the United
14 States and worldwide, and they are hundreds to thousands of times
15 more potent than carbon dioxide. In 2019, the legislature took a
16 significant step towards reducing greenhouse gas emissions from
17 hydrofluorocarbons by transitioning to the use of less damaging
18 hydrofluorocarbons or suitable substitutes in certain new foam,
19 aerosol, and refrigerant uses. However, significant sources of
20 hydrofluorocarbon emissions in Washington remain unaddressed by the
21 2019 legislation, including legacy uses of hydrofluorocarbons as a

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

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

7 (a) Conditionally authorizing the establishment of a maximum
8 global warming potential threshold for hydrofluorocarbons used as a
9 refrigerant;

10 (b) Conditionally authorizing the regulation of
11 hydrofluorocarbons in air conditioning;

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

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

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

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

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

26 NEW SECTION. **Sec. 2.** (1)(a) "Air conditioning" means equipment
27 that cools or dehumidifies spaces in residential or nonresidential
28 settings, for comfort cooling and other purposes, including but not
29 limited to:

30 (i) Room air conditioning, such as window units;

31 (ii) Packaged terminal air conditioners;

32 (iii) Packaged terminal heat pumps;

33 (iv) Portable air conditioners;

34 (v) Central or ducted air conditioners;

35 (vi) Nonducted systems, including both mini and multisplits;

36 (vii) Packaged rooftop units;

37 (viii) Water-source and ground-source heat pumps;

38 (ix) Dehumidifiers; and

1 (x) Computer room and data center cooling and remote condensing
2 units for comfort cooling applications.

3 (b) "Air conditioning" does not include chillers.

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

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

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

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

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

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

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

27 (8) "Refrigeration equipment" or "refrigeration system" means any
28 stationary device that is designed to contain and use refrigerant
29 gas. For a device with multiple independent circuits, each
30 independent circuit is considered a separate article of equipment.
31 "Refrigeration equipment" includes refrigeration equipment used in
32 retail food, cold storage, industrial process refrigeration and
33 cooling that does not use a chiller, ice rinks, and other
34 refrigeration applications.

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

38 (10) "Residential consumer refrigeration products" has the same
39 meaning as defined in section 430.2 of Subpart A of 10 C.F.R. Part
40 430 (2017).

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

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

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

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

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

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

23 ~~(3) ("Class I substance" and "class II substance" means those~~
24 ~~substances listed in 42 U.S.C. Sec. 7671a, as it read on November 15,~~
25 ~~1990, or those substances listed in Appendix A or B of Subpart A of~~
26 ~~40 C.F.R. Part 82, as those read on January 3, 2017.~~

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

29 ~~((5))~~ (4) "Climate impacts group" means the University of
30 Washington's climate impacts group.

31 ~~((6))~~ (5) "Department" means the department of ecology.

32 ~~((7))~~ (6) "Director" means the director of the department.

33 ~~((8))~~ (7) "Greenhouse gas" and "greenhouse gases" includes
34 carbon dioxide, methane, nitrous oxide, hydrofluorocarbons,
35 perfluorocarbons, sulfur hexafluoride, and any other gas or gases
36 designated by the department by rule.

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

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

6 ~~(11))~~ (8) "Person" means an individual, partnership, franchise
7 holder, association, corporation, a state, a city, a county, or any
8 subdivision or instrumentality of the state.

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

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

14 ~~(14) "Retrofit" has the same meaning as defined in section 152 of~~
15 ~~Subpart F of 40 C.F.R. Part 82, as that section existed as of January~~
16 ~~3, 2017.~~

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

25 ~~(16))~~ (10) "Western climate initiative" means the collaboration
26 of states, Canadian provinces, Mexican states, and tribes to design a
27 multisector market-based mechanism as directed under the western
28 regional climate action initiative signed by the governor on February
29 22, 2007.

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

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

35 ~~(2))~~ A person who services or repairs or disposes of a motor
36 vehicle air conditioning system; commercial or industrial air
37 conditioning, heating, or refrigeration system; or consumer appliance
38 shall use refrigerant extraction equipment to recover regulated
39 refrigerants and substitutes that would otherwise be released into

1 the atmosphere. (~~This subsection does not apply to off-road~~
2 ~~commercial equipment.~~

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

6 (~~(4))~~ (3) The willful release of regulated refrigerants and
7 substitutes from a source listed in subsection (~~(2))~~ (1) of this
8 section is prohibited.

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

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

13 (1) A regulated refrigerant or substitute in a container designed
14 for consumer recharge of a motor vehicle air conditioning system or
15 consumer appliance during repair or service (~~. This subsection does~~
16 ~~not apply to a regulated refrigerant purchased for the recharge of~~
17 ~~the air conditioning system of off-road commercial or agricultural~~
18 ~~equipment and sold or offered for sale at an establishment which~~
19 ~~specializes in the sale of off-road commercial or agricultural~~
20 ~~equipment or parts or service for such equipment));~~

21 (2) Nonessential consumer products that contain
22 hydrofluorocarbons and chlorofluorocarbons or other ozone-depleting
23 chemicals, and for which substitutes are readily available. Products
24 affected under this subsection shall include, but are not limited to,
25 party streamers, tire inflators, air horns, noise makers, and
26 (~~chlorofluorocarbon-containing~~) cleaning sprays designed for
27 noncommercial or nonindustrial cleaning of electronic or photographic
28 equipment.

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

31 The department shall adopt rules to implement RCW 70A.15.6410 and
32 70A.15.6420 (as recodified by this act). Rules shall include but not
33 be limited to minimum performance specifications for refrigerant
34 extraction equipment, procedures under which owners or operators of
35 stationary refrigeration equipment and air conditioning equipment
36 must provide the department with information related to their use of
37 regulated refrigerants and substitutes, as well as procedures for

1 enforcing RCW 70A.15.6410 and 70A.15.6420 (as recodified by this act)
2 and section 8 of this act.

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

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

8 (1) A person may not offer any product or equipment for sale,
9 lease, or rent, or install or otherwise cause any equipment or
10 product to enter into commerce in Washington if that equipment or
11 product consists of, uses, or will use a substitute, as set forth in
12 appendix U and V, Subpart G of 40 C.F.R. Part 82, as those read on
13 January 3, 2017, for the applications or end uses restricted by
14 appendix U or V of the federal regulation, as those read on January
15 3, 2017, consistent with the deadlines established in subsection (2)
16 of this section. Except where existing equipment is retrofit, nothing
17 in this subsection requires a person that acquired a restricted
18 product or equipment prior to the effective date of the restrictions
19 in subsection (2) of this section to cease use of that product or
20 equipment. Products or equipment manufactured prior to the applicable
21 effective date of the restrictions specified in subsection (2) of
22 this section may be sold, imported, exported, distributed, installed,
23 and used after the specified effective date.

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

28 (a) January 1, 2020, for:

29 (i) Propellants;

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

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

36 (b) January 1, 2021, for:

37 (i) Refrigerated food processing and dispensing equipment;

38 (ii) Compact residential consumer refrigeration products;

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

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

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

6 (ii) Vending machines;

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

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

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

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

17 (3) The department may by rule:

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

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

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

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

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

36 ~~(4) ((a) Within twelve months of another state's enactment or
37 adoption of restrictions on substitutes applicable to new light duty
38 vehicles, the department may adopt restrictions applicable to the
39 sale, lease, rental, or other introduction into commerce by a
40 manufacturer of new light duty vehicles consistent with the~~

1 ~~restrictions identified in appendix B, Subpart G of 40 C.F.R. Part~~
2 ~~82, as it read on January 3, 2017. The department may not adopt~~
3 ~~restrictions that take effect prior to the effective date of~~
4 ~~restrictions adopted or enacted in at least one other state.~~

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

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

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

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

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

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

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

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

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

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

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

32 ~~((+7))~~ (6) For the purposes of implementing the restrictions
33 specified in appendix U of Subpart G of 40 C.F.R. Part 82, as it read
34 on January 3, 2017, consistent with this section, the department must
35 interpret the term "aircraft maintenance" to mean activities to
36 support the production, fabrication, manufacture, rework, inspection,
37 maintenance, overhaul, or repair of commercial, civil, or military
38 aircraft, aircraft parts, aerospace vehicles, or aerospace
39 components.

1 ~~((8) The authority granted by this section to the department for~~
2 ~~restricting the use of substitutes is supplementary to the~~
3 ~~department's authority to control air pollution pursuant to chapter~~
4 ~~70A.15 RCW. Nothing in this section limits the authority of the~~
5 ~~department under chapter 70A.15 RCW.~~

6 ~~(9))~~ (7) Except where existing equipment is retrofit, the
7 restrictions of this section do not apply to or limit any use of
8 commercial refrigeration equipment that was installed or in use prior
9 to the effective date of the restrictions established in this
10 section.

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

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

27 (a) January 1, 2023, for dehumidifiers and room air conditioners;
28 (b) January 1, 2025, for other types of stationary air
29 conditioning equipment, provided that the state building code council
30 adopts the following safety standards into the state building code
31 prior to January 1, 2023, as these standards existed as of January 1,
32 2021:

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

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

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

1 (iv) Underwriters laboratories standard UL 60335-2-40 edition 4;
2 and
3 (c) January 1, 2026, for systems with variable refrigerant flow
4 or volume.
5 (3) (a) Consistent with the timeline established in (b) of this
6 subsection, the department may adopt rules to prohibit the use of
7 refrigerant substitutes that have a global warming potential of
8 greater than 300 for use in refrigeration equipment containing more
9 than 150 pounds of refrigerant;
10 (b) (i) The restrictions in (a) of this subsection must apply to
11 refrigeration equipment manufactured after December 31, 2024, if the
12 state building code council adopts the following safety standards
13 into the state building code prior to January 1, 2023, as these
14 standards existed as of January 1, 2021:
15 (A) American society of heating, refrigerating, and air-
16 conditioning engineers standard 15;
17 (B) American society of heating, refrigerating, and air-
18 conditioning engineers standard 34; and
19 (C) Underwriters laboratories standard UL 60335-2-89 edition 2;
20 (ii) If the state building code council adopts the safety
21 standards referenced in (b) (i) of this subsection after January 1,
22 2023, the restrictions of (a) of this subsection may apply to
23 refrigeration equipment manufactured no earlier than 24 months after
24 the adoption of the safety standards.
25 (4) The department shall prohibit the use of refrigerant
26 substitutes that have a global warming potential of greater than 750
27 for use in new equipment manufactured after December 31, 2021, for
28 installation in ice rinks.
29 (5) (a) The department, in rules adopted to implement this
30 section, may establish reporting, labeling, and recordkeeping
31 requirements applicable to regulated facilities and persons. To the
32 extent practicable, rules adopted under this section must be
33 harmonized with reporting, labeling, or recordkeeping requirements
34 established under section 9 of this act.
35 (b) To the extent practicable, the department must adopt rules to
36 implement this section that are consistent with similar programs in
37 other states that reduce emissions from refrigerants.
38 (c) The department may adopt rules to grant variances from the
39 requirements of this section.

1 NEW SECTION. **Sec. 9.** (1) The department shall establish a
2 refrigerant management program designed to reduce emissions of
3 refrigerants, including regulated substances and their substitutes,
4 from activities or equipment responsible for significant volumes of
5 such emissions. The program must include, at minimum, larger
6 stationary refrigeration systems and larger commercial air
7 conditioning systems. The department must adopt rules to implement
8 and enforce the requirements of this section.

9 (2) (a) The department shall exempt refrigeration and air
10 conditioning equipment operations associated with de minimis
11 emissions or with a de minimis charging capacity of 50 pounds from
12 some or all of the requirements established in this section. The
13 department shall exempt from the requirements established in this
14 section equipment that uses refrigerants with a global warming
15 potential of less than 150 and that are not class I or class II
16 substances.

17 (b) The department may scale the requirements adopted under this
18 section based on the size of the equipment, the facility containing
19 the equipment, or the business operations of a person responsible for
20 such emissions. The department may establish delayed effective dates
21 of requirements applicable to persons and systems associated with
22 lower emissions of refrigerants than other persons and systems
23 regulated under this section.

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

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

37 (5) The owner or operator of a registered stationary
38 refrigeration system or air conditioning system must conduct periodic
39 leak-detection inspections of the system. The department may require
40 inspections to be conducted with relatively greater frequency for

1 systems with larger volumes of refrigerants. The department may
2 exempt systems that use refrigerants with low global warming
3 potential or that have automatic leak-detection systems from the
4 requirements of this subsection.

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

8 (7) The department must adopt rules that:

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

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

14 (c) Establish annual reporting requirements for owners or
15 operators of refrigeration systems or air conditioning systems that
16 include information about the system, including system service and
17 leak repair conducted on the system over the preceding year, and
18 information on the purchase and use of refrigerants in the covered
19 system during the preceding year;

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

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

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

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

32 (a) Service practices for stationary appliances, including both
33 stationary refrigeration systems and air conditioning systems.
34 Service practices established by the department may include requiring
35 certified technicians to service refrigerant systems, prohibiting
36 practices likely to result in releases to the environment, requiring
37 all practicable efforts to recover refrigerants from covered systems,
38 and prohibiting the addition of refrigerants to systems known to have
39 a leak; and

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

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

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

18 (1) The building code council shall adopt rules that permit the
19 use of substitutes approved under RCW ((70.235.080)) 70A.45.080 (as
20 recodified by this act) and that do not require the use of
21 substitutes that are restricted under RCW ((70.235.080)) 70A.45.080
22 (as recodified by this act).

23 (2) The building code council shall adopt rules that allow the
24 use of substitutes, as defined in section 2 of this act, with a lower
25 global warming potential than alternative substances, to the maximum
26 extent practicable and in all instances in which the substitutes have
27 been approved for use under the United States environmental
28 protection agency's significant new alternatives policy to implement
29 42 U.S.C. Sec. 7671k.

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

34 NEW SECTION. **Sec. 11.** The authority granted by this chapter to
35 the department for restricting the use of substitutes is
36 supplementary to the department's authority to control air pollution
37 pursuant to chapter 70A.15 RCW. Nothing in this chapter limits the
38 authority of the department under chapter 70A.15 RCW.

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

7 NEW SECTION. **Sec. 13.** (1) By December 1, 2021, the department
8 of ecology must provide recommendations to the appropriate committees
9 of the house of representatives and the senate regarding the optimal
10 design of a program to address the end-of-life management and
11 disposal of refrigerants including, but not limited to, ozone-
12 depleting substances and hydrofluorocarbons. In developing the
13 recommendations, the department must solicit feedback from
14 potentially impacted parties and the public. The recommendations may
15 come in the form of draft legislation.

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

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

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

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

29 **Sec. 14.** RCW 70A.15.3150 and 2020 c 20 s 1111 are each amended
30 to read as follows:

31 (1) Any person who knowingly violates any of the provisions of
32 this chapter or (~~chapter 70A.25 RCW, RCW 70A.45.080~~) chapters
33 70A.25 and 70A.--- (the new chapter created in section 19 of this
34 act) RCW, or any ordinance, resolution, or regulation in force
35 pursuant thereto is guilty of a gross misdemeanor and upon conviction
36 thereof shall be punished by a fine of not more than ten thousand
37 dollars, or by imprisonment in the county jail for up to three
38 hundred sixty-four days, or by both for each separate violation.

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

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

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

22 **Sec. 15.** RCW 70A.15.3160 and 2020 c 20 s 1112 are each amended
23 to read as follows:

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

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

38 (2)(a) Penalties incurred but not paid shall accrue interest,
39 beginning on the ninety-first day following the date that the penalty

1 becomes due and payable, at the highest rate allowed by RCW 19.52.020
2 on the date that the penalty becomes due and payable. If violations
3 or penalties are appealed, interest shall not begin to accrue until
4 the thirty-first day following final resolution of the appeal.

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

8 (3) Each act of commission or omission which procures, aids or
9 abets in the violation shall be considered a violation under the
10 provisions of this section and subject to the same penalty. The
11 penalties provided in this section shall be imposed pursuant to RCW
12 43.21B.300.

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

22 (b) All penalties recovered for violations of chapter 70A.---
23 (the new chapter created in section 19 of this act) RCW must be paid
24 into the state treasury and credited to the refrigerant emission
25 management account created in section 12 of this act.

26 (5) To secure the penalty incurred under this section, the state
27 or the authority shall have a lien on any vessel used or operated in
28 violation of this chapter which shall be enforced as provided in RCW
29 60.36.050.

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

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

39 (8) The department shall develop rules for excusing excess
40 emissions from enforcement action if such excess emissions are

1 unavoidable. The rules shall specify the criteria and procedures for
2 the department and local air authorities to determine whether a
3 period of excess emissions is excusable in accordance with the state
4 implementation plan.

5 **Sec. 16.** RCW 19.285.040 and 2019 c 288 s 29 are each amended to
6 read as follows:

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

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

21 (b) Beginning January 2010, each qualifying utility shall
22 establish and make publicly available a biennial acquisition target
23 for cost-effective conservation consistent with its identification of
24 achievable opportunities in (a) of this subsection, and meet that
25 target during the subsequent two-year period. At a minimum, each
26 biennial target must be no lower than the qualifying utility's pro
27 rata share for that two-year period of its cost-effective
28 conservation potential for the subsequent ten-year period.

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

36 (ii) Beginning January 1, 2014, a qualifying utility may use
37 single large facility conservation savings in excess of its biennial
38 target to meet up to an additional five percent of the immediately
39 subsequent two biennial acquisition targets, such that no more than

1 twenty-five percent of any biennial target may be met with excess
2 conservation savings allowed under all of the provisions of this
3 section combined. For the purposes of this subsection (1)(c)(ii),
4 "single large facility conservation savings" means cost-effective
5 conservation savings achieved in a single biennial period at the
6 premises of a single customer of a qualifying utility whose annual
7 electricity consumption prior to the conservation savings exceeded
8 five average megawatts.

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

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

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

37 (f) Beginning January 1, 2022, in assessing the conservation
38 required under this section, a qualifying utility must consider the
39 nonenergy impacts associated with the generation of electricity as
40 well as from other sources, including refrigerants.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (m) Beginning January 1, 2030, a qualifying utility is considered
40 to be in compliance with an annual target in (a) of this subsection

1 if the utility uses electricity from: (i) Renewable resources and
2 renewable energy credits as defined in RCW 19.285.030; and (ii)
3 nonemitting electric generation as defined in RCW 19.405.020, in an
4 amount equal to one hundred percent of the utility's average annual
5 retail electric load. Nothing in this subsection relieves the
6 requirements of a qualifying utility to comply with subsection (1) of
7 this section.

8 (3) Utilities that become qualifying utilities after December 31,
9 2006, shall meet the requirements in this section on a time frame
10 comparable in length to that provided for qualifying utilities as of
11 December 7, 2006.

12 **Sec. 17.** RCW 19.27A.220 and 2019 c 285 s 4 are each amended to
13 read as follows:

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

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

21 (3) Upon receiving documentation demonstrating that a building
22 owner qualifies for an incentive under this section, the department
23 must authorize each applicable entity administering incentive
24 payments, as provided in RCW 19.27A.240, to make an incentive payment
25 to the building owner. When a building is served by more than one
26 entity offering incentives or more than one type of fuel, incentive
27 payments must be proportional to the energy use intensity reduction
28 of each specific fuel provided by each entity.

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

32 (a) The building is either: (i) A covered commercial building
33 subject to the requirements of the standard established under RCW
34 19.27A.210; or (ii) a multifamily residential building where the
35 floor area exceeds fifty thousand gross square feet, excluding the
36 parking garage area;

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

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

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

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

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

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

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

20 (b) The department must review each application and determine
21 whether the applicant is eligible for the incentive program and if
22 funds are available for the incentive payment within the limitation
23 established in RCW 19.27A.230. If the department certifies an
24 application, it must provide verification to the building owner and
25 each entity participating as provided in RCW 19.27A.240 and providing
26 service to the building owner.

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

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

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

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

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

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

13 **Sec. 18.** RCW 39.26.310 and 2019 c 284 s 9 are each amended to
14 read as follows:

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

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

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

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

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

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

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

37 (4)(a) Nothing in subsection (1) of this section requires the
38 department or any other state agency to breach an existing contract

1 or dispose of stock that has been ordered or is in the possession of
2 the department or other state agency as of July 28, 2019.

3 ~~((4))~~ (b) Nothing in subsection (3) of this section requires
4 the department or any other state agency to breach an existing
5 contract or dispose of stock that has been ordered or is in the
6 possession of the department or other state agency as of July 28,
7 2021.

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

13 NEW SECTION. Sec. 19. Sections 1, 2, 8, 9, 11, and 12 of this
14 act constitute a new chapter in Title 70A RCW.

15 NEW SECTION. Sec. 20. RCW 70A.45.080, 70A.15.6410, 70A.15.6420,
16 and 70A.15.6430 are each recodified as sections in chapter 70A.---
17 RCW (the new chapter created in section 19 of this act).

--- END ---