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HOUSE BILL 1332

State of Washington 66th Legislature 2019 Regular Session

By Representatives Wylie, DeBolt, Mead, Doglio, and Fitzgibbon; by request of Energy Facility Site Evaluation Council

Read first time 01/18/19. Referred to Committee on Environment & Energy.

- AN ACT Relating to updating and streamlining the energy facility site evaluation council operations; amending RCW 80.50.010, 80.50.040, 80.50.060, 80.50.100, and 80.50.175; and reenacting and amending RCW 80.50.030 and 80.50.090.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 **Sec. 1.** RCW 80.50.010 and 2001 c 214 s 1 are each amended to read as follows:

The legislature finds that ((the present and predicted growth in energy demands in)) the state of Washington requires ((the development of)) a procedure for the selection and ((utilization)) use of sites for energy facilities and the identification of a state position with respect to each proposed site. The legislature recognizes that the selection of sites will have a significant impact upon the welfare of the population, the location and growth of industry and the use of the natural resources of the state.

It is the policy of the state of Washington to ((recognize the pressing need for increased energy facilities, and to)) ensure through available and reasonable methods((τ)) that the location and operation of ((such)) energy facilities will produce minimal adverse effects on the environment, ecology of the land and its wildlife, and the ecology of state waters and their aquatic life.

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It is the policy of the state of Washington to reduce dependence on fossil fuels by recognizing the need for clean energy in order to strengthen the state's economy, meet the state's greenhouse gas reduction obligations, and mitigate the significant near-term and long-term impacts from climate change.

It is the intent to seek courses of action that will balance ((the increasing)) demands for energy facility location and operation in conjunction with the broad interests of the public. In addition, it is the intent of the legislature to streamline application review for energy facilities that use alternative energy resources to meet the state's energy goals. Such action will be based on these premises:

- (1) To assure Washington state citizens that, where applicable, operational safeguards are at least as stringent as the criteria established by the federal government and are technically sufficient for their welfare and protection.
- (2) To preserve and protect the quality of the environment; to enhance the public's opportunity to enjoy the esthetic and recreational benefits of the air, water and land resources; to promote air cleanliness; ((and)) to pursue beneficial changes in the environment; and to promote environmental justice.
- 22 (3) <u>To encourage the development and integration of cleaner</u> 23 <u>energy sources.</u>
 - (4) To provide abundant <u>clean</u> energy at reasonable cost.
 - ((4)) (5) To avoid costs of complete site restoration and demolition of improvements and infrastructure at unfinished nuclear energy sites, and to use unfinished nuclear energy facilities for public uses, including economic development, under the regulatory and management control of local governments and port districts.
- $((\frac{(5)}{(5)}))$ (6) To avoid costly duplication in the siting process and ensure that decisions are made timely and without unnecessary delay.
- **Sec. 2.** RCW 80.50.030 and 2010 c 271 s 601 and 2010 c 152 s 2 33 are each reenacted and amended to read as follows:
- 34 (1) There is created and established the energy facility site 35 evaluation council.
 - (2) (a) The chair of the council shall be appointed by the governor with the advice and consent of the senate, shall have a vote on matters before the council, shall serve for a term coextensive with the term of the governor, and is removable for cause. The chair

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- may designate a member of the council to serve as acting chair in the event of the chair's absence. The salary of the chair shall be determined under RCW 43.03.040. The chair is a "state employee" for the purposes of chapter 42.52 RCW. As applicable, when attending meetings of the council, members may receive reimbursement for travel expenses in accordance with RCW 43.03.050 and 43.03.060, and are eligible for compensation under RCW 43.03.250.
- (b) The chair or a designee shall execute all official documents, contracts, and other materials on behalf of the council. ((The Washington utilities and transportation commission shall provide all administrative and staff support for the council.)) ((commission)) chair is the appointing authority and has supervisory authority over the staff of the council and shall employ such personnel as are necessary to implement this chapter. Not more than three such employees may be exempt from chapter 41.06 RCW. The Washington utilities and transportation commission shall provide administrative support for the council. The council ((otherwise)) retain its independence in exercising its powers, functions, and duties and its supervisory control ((nonadministrative)) council staff ((support)). Membership, powers, functions, and duties of the Washington state utilities and transportation commission and the council shall otherwise remain as provided by law.
 - (3)(((a))) The council shall consist of the ((directors, administrators, or their designees, of the following departments, agencies, commissions, and committees or their statutory successors:
 - (i) Department of ecology;
- 28 (ii) Department of fish and wildlife;
- 29 (iii) Department of commerce;

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- 30 (iv) Utilities and transportation commission; and
- 31 (v) Department of natural resources.
 - (b) The directors, administrators, or their designees, of the following departments, agencies, and commissions, or their statutory successors, may participate as councilmembers at their own discretion provided they elect to participate no later than sixty days after an application is filed:
- 37 (i) Department of agriculture;
- 38 (ii) Department of health;
- 39 (iii) Military department; and
- 40 (iv) Department of transportation.

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(c) Council membership is discretionary for agencies that choose to participate under (b) of this subsection only for applications that are filed with the council on or after May 8, 2001. For applications filed before May 8, 2001, council membership is mandatory for those agencies listed in (b) of this subsection.

- (4) The appropriate county legislative authority of every county wherein an application for a proposed site is filed shall appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the county which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site.
- (5) The city legislative authority of every city within whose corporate limits an energy facility is proposed to be located shall appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the city which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site.
- (6) For any port district wherein an application for a proposed port facility is filed subject to this chapter, the port district shall appoint a member or designee as a nonvoting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the port district which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site. The provisions of this subsection shall not apply if the port district is the applicant, either singly or in partnership or association with any other person)) chair and:
- (a) The director of the department of ecology or the director's designee;
- (b) The director of the department of fish and wildlife or the director's designee;
- 35 <u>(c) The director of the department of commerce or the director's</u> 36 <u>designee;</u>
- 37 <u>(d) The chair of the utilities and transportation commission or</u> 38 the chair's designee;
- 39 <u>(e) The commissioner of public lands or the commissioner's</u> 40 designee;

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- 1 (f) One member designated by the board of directors of the Washington state association of counties or its successor;
- 3 (g) One member designated by the board of directors of the association of Washington cities or its successor; and
 - (h) One member designated by sovereign tribal governments.
- (4) A quorum of the council consists of a majority of members. If
 a member has not been designated for a position set forth in
 subsection (3)(a) through (h) of this section, that position may not
 be counted for purposes of determining a quorum.
- **Sec. 3.** RCW 80.50.040 and 2001 c 214 s 6 are each amended to 11 read as follows:

The council shall have the following powers:

- (1) To adopt, promulgate, amend, or rescind suitable rules and regulations, pursuant to chapter 34.05 RCW, to carry out the provisions of this chapter, and the policies and practices of the council in connection therewith;
- (2) To develop and apply environmental and ecological guidelines in relation to the type, design, location, construction, ((and)) initial operational conditions of certification, and ongoing regulatory oversight of energy facilities subject to this chapter;
- (3) To establish rules of practice for the conduct of public hearings pursuant to the provisions of the Administrative Procedure Act, as found in chapter 34.05 RCW;
- (4) To prescribe the form, content, and necessary supporting documentation for site certification;
- 26 (5) To receive applications for energy facility locations and to investigate the sufficiency thereof;
 - (6) To ((make and contract, when applicable, for independent studies of sites proposed by the applicant)) enter into contracts to carry out the provisions of this chapter;
 - (7) To conduct hearings on the proposed location <u>and operational</u> <u>conditions</u> of the energy facilities;
 - (8) To prepare written reports to the governor which shall include: (a) A statement indicating whether the application is in compliance with the council's guidelines, (b) criteria specific to the site and transmission line routing, (c) a council recommendation as to the disposition of the application, and (d) a draft certification agreement when the council recommends approval of the application;

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(9) To prescribe the means for monitoring of the effects arising from the construction and the operation of energy facilities to assure continued compliance with terms of certification and/or permits issued by the council pursuant to chapter 90.48 RCW or subsection (12) of this section: PROVIDED, That any on-site inspection required by the council shall be performed by other state agencies pursuant to interagency agreement: PROVIDED FURTHER, That the council may retain authority for determining compliance relative to monitoring;

- (10) To integrate its site evaluation activity with activities of federal agencies having jurisdiction in such matters to avoid unnecessary duplication;
- (11) To present state concerns and interests to other states, regional organizations, and the federal government on the location, construction, and operation of any energy facility which may affect the environment, health, or safety of the citizens of the state of Washington;
- (12) To issue permits in compliance with applicable provisions of the federally approved state implementation plan adopted in accordance with the Federal Clean Air Act, as now existing or hereafter amended, for the new construction, reconstruction, or enlargement or operation of energy facilities: PROVIDED, That such permits shall become effective only if the governor approves an application for certification and executes a certification agreement pursuant to this chapter: AND PROVIDED FURTHER, That all such permits be conditioned upon compliance with all provisions of the federally approved state implementation plan which apply to energy facilities covered within the provisions of this chapter; and
- 29 (13) To serve as an interagency coordinating body for energy-30 related issues.
- **Sec. 4.** RCW 80.50.060 and 2007 c 325 s 2 are each amended to 32 read as follows:
 - (1) The provisions of this chapter apply to the construction of energy facilities which includes the new construction of energy facilities and the reconstruction or enlargement of existing energy facilities where the net increase in physical capacity or dimensions resulting from such reconstruction or enlargement meets or exceeds those capacities or dimensions set forth in RCW 80.50.020 (($\frac{(7)}{(15)}$)) (12) and (21). No construction of such energy facilities may

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be undertaken, except as otherwise provided in this chapter, after July 15, 1977, without first obtaining certification in the manner provided in this chapter.

- (2) The provisions of this chapter apply to the construction, reconstruction, or enlargement of a new or existing energy facility that exclusively uses alternative energy resources and chooses to receive certification under this chapter, regardless of the generating capacity of the project.
- 9 (3)(a) The provisions of this chapter apply to the construction, 10 reconstruction, or modification of electrical transmission facilities 11 when:
 - (i) The facilities are located in a national interest electric transmission corridor as specified in RCW 80.50.045;
 - (ii) An applicant chooses to receive certification under this chapter, and the facilities are: (A) Of a nominal voltage of at least one hundred fifteen thousand volts and are located in a completely new corridor, except for the terminus of the new facility or interconnection of the new facility with the existing grid, and the corridor is not otherwise used for electrical transmission facilities; and (B) located in more than one jurisdiction that has promulgated land use plans or zoning ordinances; or
 - (iii) An applicant chooses to receive certification under this chapter, and the facilities are: (A) Of a nominal voltage in excess of one hundred fifteen thousand volts; and (B) located outside an electrical transmission corridor identified in (a)(i) and (ii) of this subsection (3).
 - (b) For the purposes of this subsection, "modify" means a significant change to an electrical transmission facility and does not include the following: (i) Minor improvements such as the replacement of existing transmission line facilities or supporting structures with equivalent facilities or structures; (ii) the relocation of existing electrical transmission line facilities; (iii) the conversion of existing overhead lines to underground; or (iv) the placing of new or additional conductors, supporting structures, insulators, or their accessories on or replacement of supporting structures already built.
 - (4) The provisions of this chapter shall not apply to normal maintenance and repairs which do not increase the capacity or dimensions beyond those set forth in RCW $80.50.020 \ ((\frac{(7)}{4}) \ and (21))$.

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- (5) Applications for certification of energy facilities made prior to July 15, 1977, shall continue to be governed by the applicable provisions of law in effect on the day immediately preceding July 15, 1977, with the exceptions of RCW 80.50.190 and 80.50.071 which shall apply to such prior applications and to site certifications prospectively from July 15, 1977.
- (6) Applications for certification shall be upon forms prescribed by the council and shall be supported by such information and technical studies as the council may require.
- 10 (7) Upon receipt of an application for certification under this chapter, the chair shall notify:
 - (a) The department of agriculture;
 - (b) The department of health;
- 14 <u>(c) The military department;</u>

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- 15 <u>(d) The department of transportation;</u>
- 16 <u>(e) The appropriate county legislative authority where the</u> 17 proposed facility is located;
- 18 <u>(f) The appropriate city legislative authority where the proposed</u> 19 facility is located; and
- 20 <u>(g) The appropriate tribal governments affected by the proposed</u> 21 <u>facility.</u>
- 22 (8) The council shall work with local and tribal governments
 23 where a project is proposed to be sited in order to ensure meaningful
 24 participation and input during siting review and compliance
 25 monitoring.
 - Sec. 5. RCW 80.50.090 and 2006 c 205 s 3 and 2006 c 196 s 6 are each reenacted and amended to read as follows:
 - (1) The council shall conduct an informational public hearing in the county of the proposed site as soon as practicable but not later than sixty days after receipt of an application for site certification. However, the place of such public hearing shall be as close as practical to the proposed site. (((2) Subsequent to the informational public)) At this hearing, the council ((shall conduct a public hearing to determine)) must take public comment on the application for site certification, as well as whether or not the proposed site is consistent and in compliance with city, county, or regional land use plans or zoning ordinances in effect on the date of the application. ((If it is determined that the proposed site does conform with existing land use plans or zoning ordinances in effect

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as of the date of the application, the city, county, or regional planning authority shall not thereafter change such land use plans or zoning ordinances so as to affect the proposed site.))

- (2) After the completion of its environmental review under chapter 43.21C RCW, the council shall determine whether genuine issues of fact exist on matters the council deems material to its recommendation to the governor. A council determination that such issues do not exist may only be made after holding a hearing to take public comment on the question. If the council determines that such issues do not exist and that under subsection (1) of this section the proposed site is consistent and in compliance with city, county, or regional land use plans or zoning ordinances, the council may waive the adjudicative proceeding required by subsection (3) of this section.
- (3) Prior to the issuance of a council recommendation to the governor under RCW 80.50.100, a public hearing, conducted as an adjudicative proceeding under chapter 34.05 RCW, the administrative procedure act, shall be held unless previously waived in accordance with subsection (2) of this section. At such a public hearing any person shall be entitled to be heard in support of or in opposition to the application for certification.
- 22 (4) Additional public hearings shall be held as deemed 23 appropriate by the council in the exercise of its functions under 24 this chapter.
- **Sec. 6.** RCW 80.50.100 and 2011 c 180 s 109 are each amended to 26 read as follows:
 - (1)(a) The council shall report to the governor its recommendations as to the approval or rejection of an application for certification within twelve months of receipt by the council of ((such)) an application deemed complete by the council, or such later time as is mutually agreed by the council and the applicant.
 - (b) In the case of an application filed prior to December 31, 2025, for certification of an energy facility proposed for construction, modification, or expansion for the purpose of providing generating facilities that meet the requirements of RCW 80.80.040 and are located in a county with a coal-fired electric ((generating [generation])) generation facility subject to RCW 80.80.040(3)(c), the council shall expedite the processing of the application pursuant to RCW 80.50.075 and shall report its recommendations to the governor

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within one hundred eighty days of receipt by the council of such an application, or a later time as is mutually agreed by the council and the applicant.

- (2) If the council recommends approval of an application for certification, it shall also submit a draft certification agreement with the report. The council shall include conditions in the draft certification agreement to implement the provisions of this chapter, including, but not limited to, conditions to protect state or local governmental or community interests affected by the construction or operation of the energy facility, and conditions designed to recognize the purpose of laws or ordinances, or rules or regulations promulgated thereunder, that are preempted or superseded pursuant to RCW 80.50.110 as now or hereafter amended.
- 14 (3)(a) Within sixty days of receipt of the council's report the 15 governor shall take one of the following actions:
 - (i) Approve the application and execute the draft certification agreement; or
 - (ii) Reject the application; or

- (iii) Direct the council to reconsider certain aspects of the draft certification agreement.
- (b) The council shall reconsider such aspects of the draft certification agreement by reviewing the existing record of the application or, as necessary, by reopening the adjudicative proceeding for the purposes of receiving additional evidence. Such reconsideration shall be conducted expeditiously. The council shall resubmit the draft certification to the governor incorporating any amendments deemed necessary upon reconsideration. Within sixty days of receipt of such draft certification agreement, the governor shall either approve the application and execute the certification agreement or reject the application. The certification agreement shall be binding upon execution by the governor and the applicant.
- (4) The rejection of an application for certification by the governor shall be final as to that application but shall not preclude submission of a subsequent application for the same site on the basis of changed conditions or new information.
- **Sec. 7.** RCW 80.50.175 and 1983 c 3 s 205 are each amended to read as follows:

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(1) In addition to all other powers conferred on the council under this chapter, the council shall have the powers set forth in this section.

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- (2) (a) The council, upon ((request of)) agreement with any potential applicant, is authorized, as provided in this section, to conduct a preliminary study of any potential ((site)) project prior to receipt of an application for site certification. A fee of ten thousand dollars for each potential ((site)) project, to be applied toward the cost of any study agreed upon pursuant to (b) of this subsection ((3) of this section)), shall accompany the ((request)) agreement and shall be a condition precedent to any action on the ((request)) agreement by the council.
- (((3) After receiving a request to study a potential site_r)) (b) Upon agreement with the potential applicant, the council ((shall)) may commission its own independent consultant to study matters relative to the potential ((site)) project. The study shall include, need not be limited to, the preparation and analysis of environmental impact information for the ((proposed)) potential ((site)) project and any other matter the council and the potential applicant deem essential to an adequate appraisal of the potential ((site)) project. In conducting the study, the council is authorized to cooperate and work jointly with the county or counties in which the potential ((site)) project is located, any federal, state, ((or))local, or tribal governmental agency that might be requested to comment upon the potential ((site)) project, and any municipal or public corporation having an interest in the matter. The full cost of the study shall be paid by the potential applicant: PROVIDED, That such costs exceeding a total of ten thousand dollars shall be payable subject to the potential applicant giving prior approval to such excess amount.
- ((4) Any study prepared by the council pursuant to subsection (3) of this section may be used in place of the "detailed statement" required by RCW 43.21C.030(2)(c) by any branch of government except the council created pursuant to chapter 80.50 RCW.
- (5))) (3) All payments required of the potential applicant under this section are to be ((made to the state treasurer, who in turn shall pay the consultant as instructed by the council)) deposited with the utilities and transportation commission. All such funds shall be subject to state auditing procedures. Any unexpended portions thereof shall be returned to the potential applicant.

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((6) Nothing in this section shall change the requirements for an application for site certification or the requirement of payment of a fee as)) (4) If a potential applicant subsequently submits a formal application for site certification for an energy facility at the site where a preliminary study was conducted, payments made under this section for that study may be considered as payment towards the application fee provided in RCW 80.50.071((, or change the time for disposition of an application for certification as provided in RCW 80.50.100.

(7) Nothing in this section shall be construed as preventing a city or county from requiring any information it deems appropriate to make a decision approving a particular location)).

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