HOUSE BILL 1574

State of Washington 68th Legislature 2023 Regular Session

By Representatives Rule, Duerr, Dye, Doglio, Walsh, Lekanoff, and Chapman

AN ACT Relating to supporting Washington agriculture by capturing methane and reducing greenhouse gas emissions; amending RCW 89.08.610 and 89.08.615; and creating a new section.

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

5 <u>NEW SECTION.</u> Sec. 1. The legislature finds that Washington's 6 crop and livestock farms offer some of the most cost-effective, 7 readily available opportunities to reduce greenhouse gas emissions to 8 help achieve the state's pollution reduction goals.

9 Examples include development of anaerobic digesters, which reduce 10 greenhouse gas emissions by capturing methane from organic waste to 11 produce renewable natural gas and electricity and recover nutrients 12 for biofertilizers that displace synthetic fertilizers produced using fossil natural gas or mined in distant locations. Recovered fiber can 13 14 be used to produce biochar to enhance soil structure, retain water 15 and nutrients, and provide long-term carbon sequestration. 16 Alternative manure and agriculture waste management practices can 17 reduce greenhouse gas emissions on smaller farms while providing 18 organic compost that can replace synthetic fertilizers, improve soil 19 health, and sequester carbon. These practices also improve water and 20 air quality.

1 Expanding this program supports implementation of the department of ecology's use food well Washington plan for food waste reduction, 2 3 the department of commerce's latest state energy strategy, and the findings of the department of commerce's rural clean energy advisory 4 committee. It also supports and helps coordinate the agricultural 5 6 community's involvement in achieving the goals of greenhouse gas emissions policies under the climate commitment act, clean fuels 7 program, organic materials management act, and healthy homes and 8 9 clean buildings act.

10 Therefore, it is the intent of the legislature to appropriate 11 funds through the state conservation commission's sustainable farms 12 and fields program that support these practices on crop and livestock 13 farms while supporting research that leads to new, innovative 14 approaches to reduce greenhouse gas emissions, creating renewable 15 energy, and marketable by-products.

16 Sec. 2. RCW 89.08.610 and 2020 c 351 s 2 are each amended to 17 read as follows:

The definitions in this section apply throughout this section and RCW 89.08.615 through 89.08.635 unless the context clearly requires otherwise.

(1) <u>"Alternative manure and agricultural waste management" means</u>
 the suite of practices that collect, treat, and store manure and
 agricultural waste to reduce greenhouse gas emissions.

24 <u>(2)</u> "Carbon dioxide equivalent emission" means a metric measure 25 used to compare the emission impacts from various greenhouse gases 26 based on their relative radiative forcing effect over a specified 27 period of time compared to carbon dioxide emissions.

28 (((2))) <u>(3)</u> "Carbon dioxide equivalent impact" means a metric 29 measure of the cumulative radiative forcing impacts of both carbon 30 dioxide equivalent emissions and the radiative forcing benefits of 31 carbon storage.

32 (((3))) <u>(4) "Climate-smart agricultural waste management" means</u> 33 <u>the suite of practices included in alternative manure and</u> 34 <u>agricultural waste management and those practices to reduce</u> 35 <u>greenhouse gas emissions.</u>

36 <u>(5) "Climate-smart livestock management" means the suite of</u> 37 practices including alternative manure and agricultural waste 38 management or those practices that reduce enteric emissions of

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1 <u>livestock or create manure-derived soil amendments to reduce</u> 2 <u>greenhouse gas emissions.</u>

3 <u>(6)</u> "Commission" means the Washington state conservation 4 commission created in this chapter.

5 (((4))) <u>(7)</u> "Conservation district" means one or a group of 6 Washington state's conservation districts created in this chapter.

7 (8) "Precision agriculture" means the use of technological tools,
 8 typically geospatial, to increase farm operation efficiency while
 9 reducing fertilizer, pesticide, and fossil fuel usage and greenhouse
 10 gas emissions.

11 Sec. 3. RCW 89.08.615 and 2022 c 180 s 501 are each amended to 12 read as follows:

(1) The commission shall develop a sustainable farms and fields
grant program in consultation with the department of agriculture,
Washington State University, and the United States department of
agriculture natural resources conservation service.

17 (2) As funding allows, the commission shall distribute funds, as 18 appropriate, to conservation districts and other public entities to 19 help implement the projects approved by the commission.

20 (3) No more than 15 percent of the funds may be used by the 21 commission to develop, or to consult or contract with private or 22 public entities, such as universities or conservation districts, to 23 develop:

(a) An educational public awareness campaign and outreach aboutthe sustainable farm and field program; or

(b) The grant program, including the production of analytical
 tools, measurement estimation and verification methods, cost-benefit
 measurements, and public reporting methods.

(4) No more than five percent of the funds may be used by thecommission to cover the administrative costs of the program.

31 (5) No more than 20 percent of the funds may be awarded to any 32 single grant applicant.

33 (6) Allowable uses of grant funds include:

34 (a) Annual payments to enrolled participants for successfully35 delivered carbon storage or reduction;

36 (b) Up-front payments for contracted carbon storage;

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38 (d) Purchases)) Cost-share purchases of equipment;

(c) ((Down payments on equipment;

1 (((e))) <u>(d)</u> Purchase of seed, seedlings, spores, animal feed, and 2 amendments;

3 ((((f))) (e) Services to ((landowners)) agricultural producers, such as the development of site-specific conservation plans, 4 providing financial assistance to implement best management practices 5 6 that increase carbon sequestration in soil organic matter levels and standing vegetation, reduce livestock and soil greenhouse gas 7 emissions, or to increase soil organic levels or to increase usage of 8 precision agricultural practices, or design and implementation of 9 10 best management practices to reduce livestock emissions;

11 (((g))) <u>(f)</u> The purchase of compost spreading equipment, or 12 financial assistance to farmers to purchase compost spreading 13 equipment, for the annual use for at least three years of volumes of 14 compost determined by the commission to be significant from materials 15 composted at a site that is not owned or operated by the farmer;

16 (((h))) (g) Scientific studies to evaluate and quantify the 17 greenhouse gas emissions avoided as a result of using crop residues 18 as a biofuel feedstock or to identify management practices that 19 increase the greenhouse gas emissions avoided as a result of using 20 crop residues as a biofuel feedstock;

(((i))) <u>(h)</u> Efforts to support the farm use of anaerobic digester digestate, including scientific studies, education and outreach to farmers, and the purchase or lease of digestate spreading equipment; and

25 (((j))) <u>(i)</u> Other equipment purchases or financial assistance 26 deemed appropriate by the commission to fulfill the intent of RCW 27 89.08.610 through 89.08.635.

(7) (a) When funds are appropriated through the sustainable farms and fields program for the specific purpose of improving encouraging climate-smart agricultural waste management and reducing greenhouse gas emissions through climate-smart livestock management in Washington, the funds must be used to provide the following:

33 (i) Cost-share grants for applicants licensed to conduct business 34 in the state of Washington for anaerobic digester development 35 including, but not limited to, digester projects that include 36 codigestion of manure with other sources of agricultural or 37 preconsumer organic waste;

38 <u>(ii) Technical and financial assistance for climate-smart</u> 39 <u>livestock management practices, including alternative manure and</u> 40 agricultural waste management; 1 (iii) Grants to public and private research institutions for 2 innovative research and demonstration of projects with greenhouse gas 3 reduction benefits, including dairy nutrient management projects that 4 lead to reduction in greenhouse gas emissions;

(iv) Creation of an ongoing, multistakeholder advisory committee 5 6 administered by the commission and the state department of 7 agriculture to inform the agricultural community about opportunities to participate in various carbon emissions reduction programs, inform 8 researchers and policymakers of practical implementation challenges, 9 10 and guide grant awards under this subsection. Advisory committee representation must include the Washington state departments of 11 ecology and commerce, Washington State University, the United States 12 13 department of agriculture natural resources conservation service, Washington association of conservation districts, and representatives 14 15 of agricultural producers and agricultural trade associations. The commission and the state department of agriculture must convene, 16 17 staff, and develop agendas for advisory committee meetings, and solicit applications for and appoint committee members 18 and 19 subcommittee members as appropriate; and

20 <u>(v) Creation of at least one position at the commission and other</u> 21 positions as needed with expertise in livestock nutrient management 22 and carbon markets who will help disseminate information and provide 23 support to agricultural producers applying for funding opportunities.

24 (b) No more than five percent of funding under this subsection 25 may be used for administration for grant management, advisory 26 committee support, analysis, and reporting.

27 <u>(8)</u> Grant applications are eligible for costs associated with 28 technical assistance.

29 (((8))) <u>(9)</u> Conservation districts and other public entities may 30 apply for a single grant from the commission that serves multiple 31 farmers.

32 (((9))) <u>(10)</u> Conservation districts and other public entities, separately or jointly, may apply for grant funds to operate an 33 34 equipment sharing program. Grant applicants may apply to share 35 equipment purchased with grant funds. Applicants for equipment purchase grants issued under this grant program may be farm, ranch, 36 37 or aquaculture operations ((coordinating as individual businesses)) or as formal cooperative ventures serving farm, ranch, or aquaculture 38 39 operations. ((Conservation districts, separately or jointly, may also 40 apply for grant funds to operate an equipment sharing program.

1 (10)) (11) No contract for carbon storage or changes to 2 management practices may exceed 25 years. Grant contracts that 3 include up-front payments for future benefits must be conditioned to 4 include penalties for default due to negligence on the part of the 5 recipient.

6 (((11))) <u>(12)</u> The commission shall attempt to achieve a 7 geographically fair distribution of funds across a broad group of 8 ((crop types, soil management)) <u>commodities, climate-smart</u> practices, 9 and farm sizes.

10 (((12))) (13) Any applications involving state lands leased from 11 the department of natural resources or the department of fish and 12 wildlife must include ((the)) that department's approval.

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