

A “grand bargain?”

March 8, 2021

We are officially half-way through session and approaching another big milestone – house of origin cutoff. After Tuesday, March 9, bills must be out of their house of origin, or they are considered dead.

However, there is a big caveat to this rule. Bills that are deemed “necessary to implement the budget” (NTIB) move at their own pace. A few important NTIB bills I have been closely following have been characterized by some as part of a “grand bargain.” This grand bargain is what many are considering necessary for a large transportation revenue package to be passed. It includes a revenue bill (yet to be seen), bill(s) that include carbon reduction policies, bill(s) that include carbon pricing, and bill(s) that further social and environmental justice initiatives. While the policies before us may not be where we end up, here is what is out there at this point.

HB 1091: Rep. Joe Fitzgibbon (D – West Seattle), Reducing greenhouse gas emissions by reducing the carbon intensity of transportation fuel (aka “low carbon fuel standard” or LCSF).

HB 1091 directs the Department of Ecology to adopt rules establishing a Clean Fuels Program (CFP) to limit the aggregate, overall greenhouse gas (GHG) emissions per unit of transportation fuel energy to 10 percent below 2017 levels by 2028, and 20 percent below 2017 levels by 2035. It also directs Ecology to update, prior to 2032, CFP rules to further reduce GHG emissions from each unit of transportation fuel for each year through 2050. This excludes exported fuel, fuel used by vessels, railroad locomotives, and aircraft. HB 1091 retains the current distribution of revenue under the 2015 Transportation Revenue Package, eliminating changes that would have been triggered as a result of the establishment of a CFP. HB 1091 passed off the House floor and is on its way to the Senate.

SB 5126: Sen Reuven Carlyle (D-Seattle), Concerning the Washington climate commitment act (aka “Cap and Invest”).

SB 5126 is the cap and invest (or cap and trade) carbon pricing legislation under consideration. The bill would task the Department of Ecology with establishing a cap and invest program for greenhouse gas (GHG) emissions. Specifically, a cap and invest program would direct distribution of auction revenues for specified purposes including clean transportation, natural climate resiliency, clean energy transition and assistance, and energy efficiency projects. It also convenes an Environmental Justice and Equity Advisory Panel to provide recommendations on the development and implementation of the cap and invest program. SB 5126 has been sent to the Senate Ways and Means Committee and is awaiting further action.

SB 5141, Sen. Rebecca Saldaña (D-Seattle), Implementing the recommendations of the environmental justice task force (aka the Healthy Environment for All or “HEAL Act”)

SB 5141 establishes a series of plans and processes for the departments of Transportation, Health, Ecology, Agriculture, Natural Resources, Commerce, and the Puget Sound Partnership concerning environmental justice implementation, equitable community engagement and public participation, tribal consultation, assessment, and budget and funding obligation requirements. It also establishes the Environmental Justice Council which will adopt guidelines to evaluate the progress of agencies. SB 5141 passed the Senate and is in the House awaiting public hearing.

[SB 5373](#), Sen. Liz Lovelett (D-Anacortes), Concerning Carbon Pollution (aka the “carbon fee” bill).

SB 5373 imposes a carbon pollution tax beginning January 1, 2022, equal to \$25 per metric ton of greenhouse gas (GHG) emissions on the sale or use of all fossil fuel within the state of Washington (excluding the sale or use of electricity in Washington generated using fossil fuels). It increases the tax rate annually by inflation, as measured by the consumer price index, plus 5 percent beginning July 1, 2023. SB 5373 also establishes a ten-year climate finance program using carbon tax revenue, and a bond program, to reduce GHG emissions and increase the resilience of Washington's natural resources to the impacts of climate change. SB 5373 had its first public hearing in the Senate Environment, Energy and Technology Committee on March 4.

In addition to the carbon reduction bills described above, there are several other bills in play that deal with climate reduction strategies and initiatives. WSAC Land Use and Environment Director, Paul Jewell, has been working and writing on these bills. See [here](#) under “Carbon, with Benefits – Part 2” for his summary of where they are.