
HOUSE BILL 1084

State of Washington

67th Legislature

2021 Regular Session

By Representatives Ramel and Slatter; by request of Office of the Governor

Prefiled 01/05/21.

1 AN ACT Relating to reducing statewide greenhouse gas emissions by
2 achieving greater decarbonization of residential and commercial
3 buildings; amending RCW 19.27A.160, 19.27A.015, 19.27A.020,
4 19.27A.200, 80.28.074, 80.28.110, 80.28.190, 80.28.005, 43.21F.055,
5 35.92.430, and 54.16.390; amending 2007 c 349 ss 1 and 3
6 (uncodified); adding a new section to chapter 19.27A RCW; adding new
7 sections to chapter 80.28 RCW; adding a new section to chapter 35.92
8 RCW; adding a new section to chapter 54.16 RCW; adding a new section
9 to chapter 43.330 RCW; and creating new sections.

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

11 NEW SECTION. **Sec. 1.** High-efficiency electric space and water
12 heating equipment, such as electric heat pumps for space heating and
13 electric heat pump water heaters, lower overall energy demand and
14 system costs and improve indoor air quality and environmental
15 outcomes.

16 As Washington transitions to 100 percent clean electricity,
17 switching from fossil-fuel based heating equipment to high-efficiency
18 electric equipment will reduce climate impacts and fuel price risks
19 in the long term.

20 In order to meet the statewide greenhouse gas emissions limits in
21 RCW 70A.45.020, the state must require construction of increasingly

1 low-emission energy efficient homes and buildings and achieve
2 construction of zero fossil-fuel greenhouse gas emission homes and
3 buildings by 2030. A 2020 report by the United States climate
4 alliance found that Washington had nearly 90,000 clean energy jobs in
5 2019. The top categories of clean energy jobs are in the buildings
6 sector, including: High-efficiency heating, ventilation, and air
7 conditioning; energy efficiency technologies; and renewable heating
8 and cooling. As the fastest growing clean energy industries in our
9 state, work in these areas also supports job creation in other
10 construction trades, which is a critical component of a clean energy
11 economic recovery strategy.

12 Stable and predictable policy and regulatory frameworks are
13 necessary to stimulate the critical social dialogue and collaboration
14 to ensure a just transition for workers, including solutions to
15 continue to provide meaningful work for skilled tradespersons,
16 establish and sustain institutional and technical capacities to
17 support affected workers, and mobilize funding and assistance to
18 those in need. It is the intent of the legislature to both provide
19 regulatory certainty and tools and resources to support the
20 transition of companies that engage in the distribution of fossil
21 fuels for residential and commercial heating, and to workers who are
22 employed in the sectors affected by the transition to cleaner heating
23 sources.

24 In order to have a comprehensive understanding of the need and
25 potential for updating the building stock, more robust benchmarking
26 and reporting for building performance, operations, and maintenance
27 is needed. While the state has adopted comprehensive reporting
28 requirements for larger commercial buildings, it currently lacks
29 similar requirements for smaller commercial buildings. It is the
30 intent of the legislature to extend existing building benchmarking
31 and operations and maintenance planning requirements to smaller
32 commercial buildings, in order to assess the needs and opportunities
33 for job creation, incentives, and environmental and public health
34 improvements.

35 Utilities have an important role in providing affordable and
36 reliable heating and other energy services. As the state transitions
37 to cleaner sources of energy, utilities are an important partner in
38 helping their customers make smart energy choices, and actively
39 supporting the replacement of fossil fuel-based space and water
40 heating equipment with high-efficiency electric equipment.

1 Programs for the electrification of homes and buildings have the
2 potential to allow electric utilities to optimize the use of electric
3 grid infrastructure, improve the management of electric loads, better
4 manage the integration of variable renewable energy resources, reduce
5 greenhouse gas emissions from the buildings sector, mitigate the
6 environmental impacts of utility operations and power purchases, and
7 improve health outcomes for occupants due to improved indoor air
8 quality.

9 Legislative clarity is important for utilities to offer programs
10 and services, including incentives, in the electrification of homes
11 and buildings for their customers. It is the intent of the
12 legislature to achieve parity among all electric utilities so that
13 each utility, depending on its unique circumstances, can determine
14 its appropriate role in advancing home and building electrification
15 for its customers.

16 In order to meet the statewide greenhouse gas limits in the
17 energy sectors of the economy, more resources must be directed toward
18 achieving electrification and decarbonization of residential and
19 commercial heating loads, while continuing to protect customers,
20 especially low-income customers and vulnerable communities.

21 **Sec. 2.** RCW 19.27A.160 and 2009 c 423 s 5 are each amended to
22 read as follows:

23 (1) Except as provided in subsection (2) of this section,
24 residential and nonresidential construction permitted under the
25 ~~((2031))~~ 2027 state energy code must achieve at least a seventy
26 percent reduction in annual net energy consumption and eliminate on-
27 site fossil fuel combustion for space heating and water heating,
28 using the adopted 2006 Washington state energy code as a baseline.

29 (2) The council shall adopt state energy codes from 2013 through
30 ~~((2031))~~ 2027 that incrementally move towards achieving the ~~((seventy~~
31 ~~percent reduction in annual net energy consumption))~~ targets as
32 specified in subsection (1) of this section. The council shall report
33 its progress by December 31, ~~((2012))~~ 2023, and every three years
34 thereafter. ~~((If the council determines that economic, technological,~~
35 ~~or process factors would significantly impede adoption of or~~
36 ~~compliance with this subsection, the council may defer the~~
37 ~~implementation of the proposed energy code update and shall report~~
38 ~~its findings to the legislature by December 31st of the year prior to~~
39 ~~the year in which those codes would otherwise be enacted.))~~

1 **Sec. 3.** RCW 19.27A.015 and 1990 c 2 s 2 are each amended to read
2 as follows:

3 Except as provided in RCW 19.27A.020(~~((+7))~~) (6), the Washington
4 state energy code for residential buildings shall be the (~~((maximum~~
5 ~~and))~~) minimum energy code for residential buildings in each city,
6 town, and county and shall be enforced by each city, town, and county
7 (~~((no later than July 1, 1991))~~). The Washington state energy code for
8 nonresidential buildings shall be the minimum energy code for
9 nonresidential buildings enforced by each city, town, and county.

10 **Sec. 4.** RCW 19.27A.020 and 2018 c 207 s 7 are each amended to
11 read as follows:

12 (1) The state building code council in the department of
13 enterprise services shall adopt rules to be known as the Washington
14 state energy code as part of the state building code.

15 (2) The council shall follow the legislature's standards set
16 forth in this section to adopt rules to be known as the Washington
17 state energy code. The Washington state energy code shall be designed
18 to:

19 (a) Construct increasingly low-emission energy efficient homes
20 and buildings (~~((that help))~~) and achieve (~~((the broader goal of~~
21 ~~building))~~) construction of zero fossil-fuel greenhouse gas emission
22 homes and buildings by the year (~~((2031))~~) 2030;

23 (b) Require new buildings to meet a certain level of energy
24 efficiency, but allow flexibility in building design, construction,
25 and heating equipment efficiencies within that framework; and

26 (c) (~~((Allow space heating equipment efficiency to offset or~~
27 ~~substitute for building envelope thermal performance))~~) Require new
28 buildings to provide space heating and water heating equipment that
29 minimizes direct and indirect greenhouse gas emissions.

30 (3) The Washington state energy code shall take into account
31 regional climatic conditions. One climate zone includes: Adams,
32 Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield,
33 Grant, Kittitas, Klickitat, Lincoln, Okanogan, Pend Oreille,
34 Skamania, Spokane, Stevens, Walla Walla, Whitman, and Yakima
35 counties. The other climate zone includes all other counties not
36 listed in this subsection (3). The assignment of a county to a
37 climate zone may not be changed by adoption of a model code or rule.
38 Nothing in this section prohibits the council from adopting the same
39 rules or standards for each climate zone.

1 (4) The minimum Washington state energy code for residential
2 buildings shall be the 2006 edition of the Washington state energy
3 code, or as amended by rule by the council.

4 (5) The minimum state energy code for new nonresidential
5 buildings shall be the Washington state energy code, 2006 edition, or
6 as amended by the council by rule.

7 (6) (a) Except as provided in (b) of this subsection, the
8 Washington state energy code for residential structures shall preempt
9 the residential energy code of each city, town, and county in the
10 state of Washington.

11 (b) The state energy code for residential structures does not
12 preempt a city, town, or county's energy code for residential
13 structures (~~((which exceeds))~~) that provides greater reductions in
14 energy use and greenhouse gas emissions than the requirements of the
15 state energy code (~~((and which was adopted by the city, town, or~~
16 ~~county prior to March 1, 1990. Such cities, towns, or counties may~~
17 ~~not subsequently amend their energy code for residential structures~~
18 ~~to exceed the requirements adopted prior to March 1, 1990))~~ adopted
19 by the council.

20 (7) The state building code council shall consult with the
21 department of enterprise services as provided in RCW 34.05.310 prior
22 to publication of proposed rules. The director of the department of
23 enterprise services shall recommend to the state building code
24 council any changes necessary to conform the proposed rules to the
25 requirements of this section.

26 (~~(8) ((The state building code council shall evaluate and consider~~
27 ~~adoption of the international energy conservation code in Washington~~
28 ~~state in place of the existing state energy code.~~

29 ~~(9))~~) The definitions in RCW 19.27A.140 apply throughout this
30 section.

31 **Sec. 5.** RCW 19.27A.200 and 2019 c 285 s 2 are each amended to
32 read as follows:

33 The definitions in this section apply throughout RCW 19.27A.210,
34 19.27A.220, 19.27A.230, and 19.27A.240 unless the context clearly
35 requires otherwise.

36 (1) "Agricultural structure" means a structure designed and
37 constructed to house farm implements, hay, grain, poultry, livestock,
38 or other horticultural products, and that is not a place used by the

1 public or a place of human habitation or employment where
2 agricultural products are processed, treated, or packaged.

3 (2) "Baseline energy use intensity" means a building's weather
4 normalized energy use intensity measured the previous year to making
5 an application for an incentive under RCW 19.27A.220.

6 (3) "Building owner" means an individual or entity possessing
7 title to a building.

8 (4) "Building tenant" means a person or entity occupying or
9 holding possession of a building or premises pursuant to a rental
10 agreement.

11 (5) "Conditional compliance" means a temporary compliance method
12 used by building owners that demonstrate the owner has implemented
13 energy use reduction strategies required by the standard, but has not
14 demonstrated full compliance with the energy use intensity target.

15 (6) "Consumer-owned utility" has the same meaning as defined in
16 RCW 19.27A.140.

17 (7) "Covered commercial building" means a (~~building~~):

18 (a) Building where the sum of nonresidential, hotel, motel, and
19 dormitory floor areas exceeds fifty thousand gross square feet,
20 excluding the parking garage area; or

21 (b) Tier 2 covered commercial building or tier 3 covered
22 commercial building, as determined by the department pursuant to
23 section 6 of this act.

24 (8) "Department" means the department of commerce.

25 (9) "Director" means the director of the department of commerce
26 or the director's designee.

27 (10) "Electric utility" means a consumer-owned utility or an
28 investor-owned utility.

29 (11) "Eligible building owner" means: (a) The owner of a covered
30 commercial building required to comply with the standard established
31 in RCW 19.27A.210; or (b) the owner of a multifamily residential
32 building where the floor area exceeds fifty thousand gross square
33 feet, excluding the parking garage area.

34 (12) "Energy" includes: Electricity, including electricity
35 delivered through the electric grid and electricity generated at the
36 building premises using solar or wind energy resources; natural gas,
37 including renewable natural gas, synthetic gas, or fossil gas;
38 district steam; district hot water; district chilled water; propane;
39 fuel oil; wood; coal; or other fuels used to meet the energy loads of
40 a building.

1 (13) "Energy use intensity" means a measurement that normalizes a
2 building's site energy use relative to its size. A building's energy
3 use intensity is calculated by dividing the total net energy consumed
4 in one year by the gross floor area of the building, excluding the
5 parking garage. "Energy use intensity" is reported as a value of
6 thousand British thermal units per square foot per year.

7 (14) "Energy use intensity target" means the net energy use
8 intensity of a covered commercial building that has been established
9 for the purposes of complying with the standard established under RCW
10 19.27A.210.

11 (15) "Gas company" includes every corporation, company,
12 association, joint stock association, partnership, and person, their
13 lessees, trustees, or receiver appointed by any court whatsoever, and
14 every city or town owning, controlling, operating, or managing any
15 gas plant within this state.

16 (16) "Greenhouse gas" includes carbon dioxide, methane, nitrous
17 oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

18 (17)(a) "Gross floor area" means the total number of square feet
19 measured between the exterior surfaces of the enclosing fixed walls
20 of a building, including all supporting functions such as offices,
21 lobbies, restrooms, equipment storage areas, mechanical rooms, break
22 rooms, and elevator shafts.

23 (b) "Gross floor area" does not include outside bays or docks.

24 (18) "Investor-owned utility" means a company owned by investors,
25 that meets one of the definitions of RCW 80.04.010, and that is
26 engaged in distributing electricity to more than one retail electric
27 customer in the state.

28 (19) "Multifamily residential building" means a building
29 containing sleeping units or more than two dwelling units where
30 occupants are primarily permanent in nature.

31 (20) "Net energy use" means the sum of metered and bulk fuel
32 energy entering the building, minus the sum of metered energy leaving
33 the building.

34 (21) "Qualifying utility" means a consumer-owned or investor-
35 owned gas or electric utility that serves more than twenty-five
36 thousand customers in the state of Washington.

37 (22) "Savings-to-investment ratio" means the ratio of the total
38 present value savings to the total present value costs of a bundle of
39 an energy or water conservation measure estimated over the projected
40 useful life of each measure. The numerator of the ratio is the

1 present value of net savings in energy or water and nonfuel or
2 nonwater operation and maintenance costs attributable to the proposed
3 energy or water conservation measure. The denominator of the ratio is
4 the present value of the net increase in investment and replacement
5 costs less salvage value attributable to the proposed energy or water
6 conservation measure.

7 (23) "Standard" means the state energy performance standard for
8 covered commercial buildings established under RCW 19.27A.210.

9 (24) "Thermal energy company" has the same meaning as defined in
10 RCW 80.04.550.

11 (25) "Tier 2 covered commercial building" means a building where
12 the sum of nonresidential, hotel, motel, and dormitory floor areas
13 exceeds 25,000 gross square feet, excluding the parking garage area,
14 but does not exceed 50,000 gross square feet.

15 (26) "Tier 3 covered commercial building" means a building where
16 the sum of nonresidential, hotel, motel, and dormitory floor areas
17 exceeds 10,000 gross square feet, excluding the parking garage area,
18 but does not exceed 25,000 gross square feet.

19 (27) "Weather normalized" means a method for modifying the
20 measured building energy use in a specific weather year to energy use
21 under normal weather conditions.

22 NEW SECTION. **Sec. 6.** A new section is added to chapter 19.27A
23 RCW to read as follows:

24 (1) (a) By November 1, 2021, the department must adopt by rule a
25 state energy management and benchmarking requirement for tier 2
26 covered commercial buildings and tier 3 covered commercial buildings.

27 (b) In establishing the requirements under (a) of this
28 subsection, the department must adopt requirements for building owner
29 implementation based on sections 5, 6, and 7 of ANSI/ASHRAE/IES
30 standard 100-2018, including reporting and administrative procedures.

31 (c) The department is authorized to impose an administrative
32 penalty upon a building owner for failing to submit documentation
33 demonstrating compliance with the requirements of this section.
34 Administrative penalties collected under this section must be
35 deposited into the low-income weatherization and structural
36 rehabilitation assistance account created in RCW 70A.35.030.

37 (2) By July 1, 2023, the department must provide the owners of
38 tier 2 covered commercial buildings with notification of
39 requirements.

1 (3) By July 1, 2024, the department must provide the owners of
2 tier 3 covered commercial buildings with notification of
3 requirements.

4 (4) The owner of a tier 2 or tier 3 covered commercial building
5 must report the building owner's compliance with the requirements to
6 the department in accordance with the schedule established under
7 subsection (5) of this section and every five years thereafter. For
8 each reporting date, the building owner must submit documentation to
9 demonstrate that they have developed and implemented the procedures
10 of sections 5, 6, and 7 of ANSI/ASHRAE/IES standard 100-2018 as
11 modified by the department by rule.

12 (5) By July 1, 2025, tier 2 covered commercial building owners
13 shall submit reports to the department as required by the rules
14 adopted in subsection (1) of this section. By July 1, 2026, tier 3
15 covered commercial building owners shall submit reports to the
16 department as required by the rules adopted in subsection (1) of this
17 section.

18 (6) By July 1, 2027, the department shall evaluate benchmarking
19 data to determine energy use averages by building type. The
20 department shall submit a report to the legislature and the
21 governor's office by October 1, 2027, with recommendations for
22 building performance standards for tier 2 and tier 3 covered
23 commercial buildings. The department is authorized to adopt rules for
24 inclusion of tier 2 and tier 3 covered commercial buildings in the
25 state energy performance standard created in RCW 19.27A.210 starting
26 in 2029.

27 **Sec. 7.** RCW 80.28.074 and 1988 c 166 s 1 are each amended to
28 read as follows:

29 The legislature declares it is the policy of the state to:

30 (1) ~~((Preserve affordable natural gas and electric services to
31 the residents of the state;~~

32 ~~(2))~~ Maintain and advance the efficiency, affordability, and
33 availability of ~~((natural gas and electric))~~ energy services to the
34 residents of the state of Washington;

35 ~~((3))~~ (2) Ensure that customers pay only reasonable charges for
36 ~~((natural gas and electric))~~ energy services;

37 ~~((4))~~ (3) Permit flexible pricing of ~~((natural gas and
38 electric))~~ energy services;

1 (4) Limit and reduce the use of fossil fuels for space and water
2 heating and advance the use of high-efficiency electric equipment.

3 **Sec. 8.** RCW 80.28.110 and 2011 c 214 s 20 are each amended to
4 read as follows:

5 Every (~~gas company,~~) electrical company, wastewater company, or
6 water company, engaged in the sale and distribution of (~~gas,~~)
7 electricity or water or the provision of wastewater company services,
8 shall, upon reasonable notice, furnish to all persons and
9 corporations who may apply therefor and be reasonably entitled
10 thereto, suitable facilities for furnishing and furnish all available
11 (~~gas,~~) electricity, wastewater company services, and water as
12 demanded, except that a water company may not furnish water contrary
13 to the provisions of water system plans approved under chapter 43.20
14 or (~~70.116~~) 70A.100 RCW and wastewater companies may not provide
15 services contrary to the approved general sewer plan.

16 **Sec. 9.** RCW 80.28.190 and 2003 c 53 s 383 are each amended to
17 read as follows:

18 (1) No gas company shall, after January 1, 1956, operate in this
19 state any gas plant for hire without first having obtained from the
20 commission under the provisions of this chapter a certificate
21 declaring that public convenience and necessity requires or will
22 require such operation and setting forth the area or areas within
23 which service is to be rendered; but a certificate shall be granted
24 where it appears to the satisfaction of the commission that such gas
25 company was actually operating in good faith, within the confines of
26 the area for which such certificate shall be sought, on June 8, 1955.
27 Any right, privilege, certificate held, owned or obtained by a gas
28 company may be sold, assigned, leased, transferred or inherited as
29 other property, only upon authorization by the commission. The
30 commission shall have power, after hearing, when the applicant
31 requests a certificate to render service in an area already served by
32 a certificate holder under this chapter only when the existing gas
33 company or companies serving such area will not provide the same to
34 the satisfaction of the commission and in all other cases, with or
35 without hearing, to issue the certificate as prayed for; or for good
36 cause shown to refuse to issue same, or to issue it for the partial
37 exercise only of the privilege sought, and may attach to the exercise
38 of the rights granted by the certificate such terms and conditions

1 as, in its judgment, the public convenience and necessity may
2 require.

3 (2) A gas company may not offer new service to any customer
4 located outside of the area authorized in its approved certificate of
5 public convenience and necessity as of July 1, 2021.

6 (3) The commission may, at any time, by its order duly entered
7 after a hearing had upon notice to the holder of any certificate
8 hereunder, and an opportunity to such holder to be heard, at which it
9 shall be proven that such holder willfully violates or refuses to
10 observe any of its proper orders, rules or regulations, suspend,
11 revoke, alter or amend any certificate issued under the provisions of
12 this section, but the holder of such certificate shall have all the
13 rights of rehearing, review and appeal as to such order of the
14 commission as is provided herein.

15 ((+3)) (4) In all respects in which the commission has power and
16 authority under this chapter applications and complaints may be made
17 and filed with it, process issued, hearings held, opinions, orders
18 and decisions made and filed, petitions for rehearing filed and acted
19 upon, and petitions for writs of review to the superior court filed
20 therewith, appeals or mandate filed with the supreme court or the
21 court of appeals of this state considered and disposed of by such
22 courts in the manner, under the conditions, and subject to the
23 limitations and with the effect specified in the Washington utilities
24 and transportation commission laws of this state.

25 ((+4)) (5) Every officer, agent, or employee of any corporation,
26 and every other person who violates or fails to comply with, or who
27 procures, aids or abets in the violation of any of the provisions of
28 this section or who fails to obey, observe or comply with any order,
29 decision, rule or regulation, directive, demand or requirements, or
30 any provision of this section, is guilty of a gross misdemeanor.

31 ((+5)) (6) Neither this section, RCW 80.28.200, (~~80.28.210,~~)
32 nor any provisions thereof shall apply or be construed to apply to
33 commerce with foreign nations or commerce among the several states of
34 this union except insofar as the same may be permitted under the
35 provisions of the Constitution of the United States and acts of
36 congress.

37 ((+6)) (7) The commission shall collect the following
38 miscellaneous fees from gas companies: Application for a certificate
39 of public convenience and necessity or to amend a certificate,
40 twenty-five dollars; application to sell, lease, mortgage or transfer

1 a certificate of public convenience and necessity or any interest
2 therein, ten dollars.

3 **Sec. 10.** RCW 80.28.005 and 1994 c 268 s 1 are each amended to
4 read as follows:

5 (~~Unless the context clearly requires otherwise, the~~) The
6 definitions in this section apply throughout this chapter unless the
7 context clearly requires otherwise.

8 (1) "Bondable conservation investment" means all expenditures
9 made by electrical, gas, or water companies with respect to energy or
10 water conservation measures and services intended to improve the
11 efficiency of electricity, gas, or water end use, including related
12 carrying costs if:

13 (a) The conservation measures and services do not produce assets
14 that would be bondable utility property under the general utility
15 mortgage of the electrical, gas, or water company;

16 (b) The commission has determined that the expenditures were
17 incurred in conformance with the terms and conditions of a
18 conservation service tariff in effect with the commission at the time
19 the costs were incurred, and at the time of such determination the
20 commission finds that the company has proven that the costs were
21 prudent, that the terms and conditions of the financing are
22 reasonable, and that financing under this chapter is more favorable
23 to the customer than other reasonably available alternatives;

24 (c) The commission has approved inclusion of the expenditures in
25 rate base and has not ordered that they be currently expensed; and

26 (d) The commission has not required that the measures demonstrate
27 that energy savings have persisted at a certain level for a certain
28 period before approving the cost of these investments as bondable
29 conservation investment.

30 (2) "Conservation bonds" means bonds, notes, certificates of
31 beneficial interests in trusts, or other evidences of indebtedness or
32 ownership that:

33 (a) The commission determines at or before the time of issuance
34 are issued to finance or refinance bondable conservation investment
35 by an electrical, gas or water company; and

36 (b) Rely partly or wholly for repayment on conservation
37 investment assets and revenues arising with respect thereto.

38 (3) "Conservation investment assets" means the statutory right of
39 an electrical, gas, or water company:

1 (a) To have included in rate base all of its bondable
2 conservation investment and related carrying costs; and

3 (b) To receive through rates revenues sufficient to recover the
4 bondable conservation investment and the costs of equity and debt
5 capital associated with it, including, without limitation, the
6 payment of principal, premium, if any, and interest on conservation
7 bonds.

8 (4) "Finance subsidiary" means any corporation, company,
9 association, joint stock association, or trust that is beneficially
10 owned, directly or indirectly, by an electrical, gas, or water
11 company, or in the case of a trust issuing conservation bonds
12 consisting of beneficial interests, for which an electrical, gas, or
13 water company or a subsidiary thereof is the grantor, or an
14 unaffiliated entity formed for the purpose of financing or
15 refinancing approved conservation investment, and that acquires
16 conservation investment assets directly or indirectly from such
17 company in a transaction approved by the commission.

18 (5) "Lowest reasonable cost" means the lowest cost mix of
19 resources determined through a detailed and consistent analysis of a
20 wide range of commercially available sources. At a minimum, this
21 analysis must consider resource costs, market-volatility risks,
22 demand-side resource uncertainties, the risks imposed on ratepayers,
23 resource effect on system operations, public policies regarding
24 resource preference adopted by Washington state or the federal
25 government, the cost of risks associated with environmental effects,
26 including the social cost of greenhouse gas emissions as determined
27 by the commission pursuant to RCW 80.28.395, and the need for
28 security of energy supply.

29 (6) "Low-income" means a household income as defined by the
30 commission, provided that the definition may not exceed the higher of
31 80 percent of area median household income or 200 percent of the
32 federal poverty level, adjusted for household size.

33 (7) "Overburdened community" has the same meaning as "highly
34 impacted community" as that term is defined in RCW 19.405.020.

35 (8) "Transition implementation plan" means a comprehensive plan
36 developed by a gas company and submitted to the commission that
37 evaluates strategies to achieve a reduction in greenhouse gas
38 emissions from the combustion of natural gas, identifies specific
39 actions to meet an emissions reduction target at the lowest
40 reasonable cost for customers, evaluates cost and life-cycle

1 emissions associated with alternative pipeline fuels and electric
2 alternatives, and is consistent with the requirements specified in
3 RCW 19.27A.020.

4 NEW SECTION. **Sec. 11.** A new section is added to chapter 80.28
5 RCW to read as follows:

6 (1)(a) A statewide clean heat standard is established for the
7 purpose of limiting the expansion of the natural gas system for
8 residential and commercial space and water heating, and advancing the
9 use of high-efficiency electric equipment, production and
10 distribution of clean fuels, and the safe and equitable transition of
11 the natural gas system.

12 (b) Utilities must ensure an equitable transition of the gas
13 system by:

14 (i) Ensuring that the transition does not disproportionately
15 impact low-income households or overburdened communities;

16 (ii) Ensuring the equitable distribution of energy and nonenergy
17 benefits, including the reduction of burdens and improvement of
18 indoor air quality, of utility programs and infrastructure to
19 overburdened communities and vulnerable populations. An equitable
20 distribution must be informed by the evaluations in section 14(2) (l)
21 and (m) of this act;

22 (iii) Including provisions for equity and opportunity
23 improvement, including: (A) Employer paid sick leave programs; (B)
24 pay practices in relation to living wage indicators such as the
25 federal poverty level; (C) efforts to evaluate pay equity based on
26 gender identity, race, and other protected status under Washington
27 law; (D) facilitating career development opportunities such as
28 apprenticeship programs, internships, job shadowing, and on-the-job
29 training; and (E) employment assistance and employment barriers for
30 justice affected individuals; and

31 (iv) Providing for the just transition of affected workers
32 through layoff avoidance strategies.

33 (2) Beginning July 1, 2021, gas company tariff provisions for
34 line extensions for residential and commercial gas service must
35 recover the full cost of the extension from the new customer
36 requesting service.

37 (3) By January 1, 2022, and every four years thereafter, each gas
38 company must develop and submit to the commission a transition
39 implementation plan to achieve a reduction in greenhouse gas

1 emissions, consistent with its proportional obligation under RCW
2 70A.45.020, resulting from combustion of natural gas sold or
3 delivered by the company.

4 (4) A transition implementation plan must evaluate and compare
5 multiple strategies to identify the lowest reasonable cost
6 combination of strategies to achieve the reductions. To meet their
7 required emissions reduction target under subsection (3) of this
8 section, each gas company must include evaluation of the following
9 emissions reduction strategies:

10 (a) Measures to increase the efficiency of energy use in
11 residential, industrial, and commercial buildings through building
12 thermal load reduction strategies such as envelope efficiency
13 improvements, hot water conservation, or process load reductions;

14 (b) Conversion of existing customers to high-efficiency electric
15 equipment through demographically targeted programs to support an
16 equitable transition;

17 (c) Geographically targeted programs to permanently decommission
18 portions of a gas company's distribution systems;

19 (d) Reduction of the carbon content of delivered gas by
20 incorporating renewable natural gas, hydrogen, or other low-carbon
21 fuels; and

22 (e) Expansion of voluntary renewable natural gas programs.

23 (5) A transition implementation plan must:

24 (a) Identify specific actions to achieve the gas company's share
25 of the statewide obligation in RCW 70A.45.020 and must include an
26 estimate of the costs and benefits resulting from the transition,
27 including the costs and benefits that will accrue to vulnerable
28 populations and overburdened communities. The cost-benefit analysis
29 must incorporate the avoided social cost of greenhouse gas emissions
30 resulting from the use of natural gas as determined by the commission
31 pursuant to RCW 80.28.395;

32 (b) Consider recommendations from the latest state energy
33 strategy created under RCW 43.21F.090;

34 (c) Identify changes to depreciation schedules or rate design to
35 be consistent with specific actions in the transition implementation
36 plan.

37 (6) A transition implementation plan may include projects
38 authorized under RCW 80.28.420 that are anticipated to reduce
39 greenhouse gas emissions from pipelines through the reduction of
40 nonhazardous leaks.

1 (7) Prior to adopting a transition implementation plan, the
2 natural gas company must request the input of any electric utility
3 serving customers in the natural gas company's service area on the
4 development of the plan.

5 NEW SECTION. **Sec. 12.** A new section is added to chapter 80.28
6 RCW to read as follows:

7 (1) The commission, after a hearing, must by order approve,
8 reject, or approve with conditions a gas company's transition
9 implementation plan. The commission may periodically adjust or
10 expedite timelines if it can be demonstrated that the emission
11 reduction targets under section 11(3) of this act or timelines can be
12 achieved in a manner consistent with the following:

13 (a) Maintaining and protecting the safety and reliable operation
14 of the natural gas system; and

15 (b) Planning to meet the emission reduction targets under section
16 11(3) of this act at the lowest reasonable cost.

17 (2) The commission, in coordination with the department of
18 commerce, must ensure that the transition from fossil natural gas
19 does not disproportionately impact low-income households.

20 NEW SECTION. **Sec. 13.** A new section is added to chapter 80.28
21 RCW to read as follows:

22 (1) By January 1, 2023, the commission must establish a uniform
23 climate protection surcharge at an amount not to exceed the social
24 cost of greenhouse gas emissions established in RCW 80.28.395.

25 (2) Each gas company must implement by tariff the climate
26 protection surcharge applied on a per-therm basis to natural gas
27 delivered to its customers. Sales of renewable natural gas, zero-
28 emission synthetic gas, and renewable hydrogen are exempt from the
29 climate protection surcharge. The funds collected from the climate
30 protection surcharge must be used by each gas company for the
31 following purposes, as approved by the commission:

32 (a) Implementing programs approved in its transition
33 implementation plan, as designated in section 11(3) of this act;

34 (b) Providing weatherization services, bill credits, or rate
35 assistance to low-income customers, including assistance to offset
36 the impacts of the uniform climate protection surcharge on low-income
37 customers;

1 (c) Programs to avoid worker dislocation, including ensuring the
2 use of qualified workers in implementing the transition
3 implementation plan, and training programs for workers in the fossil
4 natural gas industry to support skill development;

5 (d) Developing and distributing lower-carbon fuels including, but
6 not limited to, renewable natural gas distributed under a tariff
7 approved under RCW 80.28.385; and

8 (e) Ensuring that the transition implementation plan does not
9 disproportionately impact vulnerable populations or overburdened
10 communities.

11 (3) Projects or activities funded from the climate protection
12 surcharge must meet high labor standards, including family sustaining
13 wages, providing benefits including health care and pensions, career
14 development opportunities, and maximize access to economic benefits
15 from such projects for local workers and diverse businesses.

16 NEW SECTION. **Sec. 14.** A new section is added to chapter 80.28
17 RCW to read as follows:

18 (1) Each natural gas utility regulated by the commission has the
19 responsibility to meet system demand with the least cost mix of
20 energy supply, including: Natural gas; renewable fuels;
21 electrification; and conservation. In furtherance of that
22 responsibility, each natural gas utility must develop an integrated
23 resource plan.

24 (2) At a minimum, integrated resource plans must include:

25 (a) A range of forecasts of future natural gas demand in firm and
26 interruptible markets for each customer class that examine the effect
27 of economic forces on the consumption of natural gas and that address
28 changes in the number, type, and efficiency of natural gas end uses;

29 (b) An assessment of commercially available conservation,
30 including load management, as well as an assessment of currently
31 employed and new policies and programs needed to obtain the
32 conservation improvements;

33 (c) An assessment of conventional and commercially available
34 nonconventional gas supplies;

35 (d) An assessment of the impact of the electrification of the
36 building sector;

37 (e) An assessment of opportunities for using company-owned or
38 contracted storage;

1 (f) An assessment of pipeline transmission capability and
2 reliability;

3 (g) A comparative evaluation of the cost of natural gas
4 purchasing strategies, electrification, storage options, delivery
5 resources, and improvements in conservation using a consistent method
6 to calculate cost-effectiveness;

7 (h) The integration of the demand forecasts and resource
8 evaluations into a long-range integrated resource plan, for at least
9 the next ten years, describing the mix of resources that is
10 designated to meet current and future needs at the lowest reasonable
11 cost to the utility and its ratepayers;

12 (i) A short-term plan outlining the specific actions to be taken
13 by the utility in implementing the long-range integrated resource
14 plan during each of the three years following submission;

15 (j) A report on the utility's progress towards implementing the
16 recommendations contained in its previously filed plan;

17 (k) An assessment of current conditions, including:

18 (i) The economic, public health, and environmental conditions
19 within the utility's service territory. These conditions are not
20 restricted to the effects of utility actions, and the analysis must
21 include relevant information from publicly available sources,
22 including the cumulative impact analysis developed by the department
23 of health under RCW 19.405.140;

24 (ii) The energy and nonenergy benefits and burdens associated
25 with the utility's infrastructure and programs, including benefits
26 and burdens caused by utility actions outside the utility's service
27 territory;

28 (l) An evaluation of disparities in current conditions for
29 overburdened communities and vulnerable populations based on the
30 assessment required by (k)(i) of this subsection; and

31 (m) An evaluation of disparities in utility programs and
32 infrastructure for overburdened communities and vulnerable
33 populations based on the assessment required by (k)(ii) of this
34 subsection.

35 (3) Beginning September 1, 2021, each natural gas utility must
36 submit a plan within two years after the date on which the previous
37 plan was filed with the commission. Not later than twelve months
38 prior to the due date of a plan, the utility must provide a work plan
39 for informal commission review. The work plan must outline the

1 content of the integrated resource plan to be developed by the
2 utility and the method for assessing potential resources.

3 (4) The work plan must outline the timing and extent of public
4 participation. In addition, the commission must hear comment on the
5 plan at a public hearing scheduled after the utility submits its plan
6 for commission review.

7 (5) The commission must consider the information reported in the
8 integrated resource plan when the commission evaluates the
9 performance of the utility in rate and other proceedings.

10 **Sec. 15.** RCW 43.21F.055 and 1996 c 186 s 104 are each amended to
11 read as follows:

12 ~~((The department shall not intervene in any regulatory proceeding
13 before the Washington utilities and transportation commission or
14 proceedings of utilities not regulated by the commission.))~~ Nothing
15 in this chapter abrogates or diminishes the functions, powers, or
16 duties of the energy facility site evaluation council pursuant to
17 chapter 80.50 RCW, the utilities and transportation commission
18 pursuant to Title 80 RCW, or other state or local agencies
19 established by law.

20 ~~((The department shall avoid duplication of activity with other
21 state agencies and officers and other persons.))~~

22 NEW SECTION. **Sec. 16.** A new section is added to chapter 35.92
23 RCW to read as follows:

24 (1) The governing authority of an electric utility formed under
25 this chapter may adopt a beneficial electrification plan that
26 establishes a finding that utility outreach and investment in the
27 electrification of homes and buildings will provide net benefits to
28 the utility. Prior to adopting a beneficial electrification plan, the
29 governing authority must request the input of any natural gas company
30 serving customers in the electric utility's service area on the
31 development of the plan.

32 (2) A beneficial electrification plan adopted under subsection
33 (1) of this section must identify options and program schedules for
34 the electrification of various energy end-uses or other energy
35 sources.

36 (3) In adopting a beneficial electrification plan under
37 subsection (1) of this section, the governing authority of an
38 electric utility formed under this chapter must determine that the

1 sum of the benefits of an electrification option equals or exceeds
2 the sum of its costs. As part of this determination, the governing
3 authority may differentiate the level of benefits and costs accrued
4 to highly impacted communities and vulnerable populations in the
5 electric utility's service area, as those terms are defined in RCW
6 19.405.020.

7 (a) The benefits of beneficial electrification considered by a
8 governing authority must include, but are not limited to, system
9 impacts, as well as the following:

10 (i) Utility revenue from increased retail load from beneficial
11 electrification;

12 (ii) Distribution system efficiencies resulting from demand
13 response or other load management opportunities, including direct
14 control and dynamic pricing, associated with the increased retail
15 load;

16 (iii) System reliability improvements;

17 (iv) The opportunity for indoor and outdoor air quality benefits
18 to existing utility customers and customers from projects constructed
19 after the effective date of this section;

20 (v) The opportunity for greenhouse gas emissions reductions from
21 existing utility customers and customers from projects constructed
22 after the effective date of this section, consistent with the
23 emission reduction targets recommended by the department of ecology
24 under RCW 70A.45.020; and

25 (vi) Other benefits identified by the governing authority.

26 (b) The costs of beneficial electrification considered by a
27 governing authority must include, but are not limited to:

28 (i) The electricity, which must be demonstrated to have, during
29 the life cycle of the electric appliance, a lower greenhouse gas
30 emissions profile than direct-use natural gas, or any other resources
31 used to serve or offset the increased retail load from beneficial
32 electrification;

33 (ii) Any upgrades to the utility's distribution system or load
34 management practices and equipment made necessary by the increased
35 retail load; and

36 (iii) The cost of the incentive, advertising, or other
37 inducements used to encourage customers to electrify an energy end-
38 use currently served by a different fuel source.

39 (4) An electric utility formed under this chapter may, upon
40 making a determination in accordance with subsection (1) of this

1 section, offer incentives and other programs to accelerate the
2 beneficial electrification of homes and buildings for its customers,
3 including the promotion of electrically powered equipment,
4 advertising beneficial electrification programs and projects,
5 educational programs, and customer incentives or rebates. An electric
6 utility offering such incentives and other programs must, when
7 practical, prioritize service to highly impacted communities in the
8 electric utility's service area, as that term is defined in RCW
9 19.405.020.

10 (5) For the purposes of this section, "beneficial
11 electrification" means electrification of an energy end-use in a way
12 that provides a net benefit to the utility consistent with subsection
13 (3) of this section.

14 (6) Nothing in this section limits the existing authority of an
15 electric utility formed under this chapter to offer incentives and
16 other programs to accelerate the electrification of homes and
17 buildings for its customers if such electrification is in the direct
18 economic interest of the electric utility.

19 NEW SECTION. **Sec. 17.** A new section is added to chapter 54.16
20 RCW to read as follows:

21 (1) The commission of a public utility district may adopt a
22 beneficial electrification plan that establishes a finding that
23 outreach and investment in the electrification of homes and buildings
24 will provide net benefits to the utility. Prior to adopting a
25 beneficial electrification plan, the commission of a public utility
26 district must request the input of any natural gas company serving
27 customers in the public utility district's service area on the
28 development of the plan.

29 (2) A beneficial electrification plan adopted under subsection
30 (1) of this section must identify options and program schedules for
31 the electrification of various energy end-uses or other energy
32 sources.

33 (3) In adopting a beneficial electrification plan under
34 subsection (1) of this section, the commission of a public utility
35 district must determine that the sum of the benefits of an
36 electrification option equals or exceeds the sum of its costs. As
37 part of this determination, the commission may differentiate the
38 level of benefits and costs accrued to highly impacted communities

1 and vulnerable populations in the public utility district's service
2 area, as those terms are defined in RCW 19.405.020.

3 (a) The benefits of beneficial electrification considered by a
4 commission must include, but are not limited to, system impacts, as
5 well as the following:

6 (i) Utility revenue from increased retail load from beneficial
7 electrification;

8 (ii) Distribution system efficiencies resulting from demand
9 response or other load management opportunities, including direct
10 control and dynamic pricing, associated with the increased retail
11 load;

12 (iii) System reliability improvements;

13 (iv) The opportunity for indoor and outdoor air quality benefits
14 to existing utility customers and customers from projects constructed
15 after the effective date of this section;

16 (v) The opportunity for greenhouse gas emissions reductions from
17 existing utility customers and customers from projects constructed
18 after the effective date of this section, consistent with the
19 emission reduction targets recommended by the department of ecology
20 under RCW 70A.45.020; and

21 (vi) Other benefits identified by the commission of the public
22 utility district.

23 (b) The costs of beneficial electrification considered by a
24 commission must include, but are not limited to:

25 (i) The electricity, which must be demonstrated to have, during
26 the life cycle of the electric equipment, a lower greenhouse gas
27 emissions profile than direct-use natural gas, or any other resources
28 used to serve or offset the increased retail load from beneficial
29 electrification;

30 (ii) Any upgrades to the utility's distribution system or load
31 management practices and equipment made necessary by the increased
32 retail load; and

33 (iii) The cost of the incentive, advertising, or other
34 inducements used to encourage customers to electrify an energy end-
35 use currently served by a different fuel source.

36 (4) A public utility district may, upon making a determination in
37 accordance with subsection (1) of this section, offer incentives and
38 other programs to accelerate the beneficial electrification of homes
39 and buildings for its customers, including the promotion of
40 electrically powered equipment, advertising beneficial

1 electrification programs and projects, educational programs, and
2 customer incentives or rebates. A public utility district offering
3 such incentives and other programs must, when practical, prioritize
4 service to highly impacted communities in the public utility
5 district's service area, as that term is defined in RCW 19.405.020.

6 (5) For the purposes of this section, "beneficial
7 electrification" means electrification of an energy end-use in a way
8 that provides a net benefit to the utility consistent with subsection
9 (3) of this section.

10 (6) Nothing in this section limits the existing authority of the
11 commission of a public utility district to offer incentives and other
12 programs to accelerate the electrification of homes and buildings for
13 its customers if, over the life of the electrification incentive or
14 program, such electrification is in the direct economic interest of
15 the public utility district.

16 **Sec. 18.** 2007 c 349 s 1 (uncodified) is amended to read as
17 follows:

18 The legislature finds and declares that greenhouse gases offset
19 contracts, credits, and other greenhouse gases mitigation efforts,
20 including beneficial electrification, are a recognized utility
21 purpose that confers a direct benefit on the utility's ratepayers.
22 The legislature declares that (~~section 2 of this act~~) RCW 35.92.430
23 is intended to reverse the result of *Okeson v. City of Seattle*
24 (January 18, 2007), by expressly granting municipal utilities the
25 statutory authority to engage in mitigation activities to offset
26 their utility's impact on the environment.

27 **Sec. 19.** RCW 35.92.430 and 2007 c 349 s 2 are each amended to
28 read as follows:

29 (1) A city or town authorized to acquire and operate utilities
30 for the purpose of furnishing the city or town and its inhabitants
31 and other persons with water, with electricity for lighting and other
32 purposes, or with service from sewerage, stormwater, surface water,
33 or solid waste handling facilities, may develop and make publicly
34 available a plan to reduce its greenhouse (~~gases~~) gas emissions or
35 achieve no-net emissions from all sources of greenhouse gases that
36 the utility owns, leases, uses, contracts for, or otherwise controls.

37 (2) A city or town authorized to acquire and operate utilities
38 for the purpose of furnishing the city or town and its inhabitants

1 and other persons with water, with electricity for lighting and other
2 purposes, or with service from sewerage, stormwater, surface water,
3 or solid waste handling facilities, may, as part of its utility
4 operation, mitigate the environmental impacts, such as greenhouse
5 ((gases)) gas emissions, of its operation, including any power
6 purchases. The mitigation may include, but is not limited to, those
7 greenhouse gases mitigation mechanisms recognized by independent,
8 qualified organizations with proven experience in emissions
9 mitigation activities. Mitigation mechanisms may include the
10 purchase, trade, and banking of greenhouse gases offsets or credits.
11 If a state greenhouse gases registry is established, a utility that
12 has purchased, traded, or banked greenhouse gases mitigation
13 mechanisms under this section shall receive credit in the registry.
14 Mitigation may also include implementation of programs including, but
15 not limited to, beneficial electrification programs that result in
16 quantifiable and verified reductions in greenhouse gas emissions from
17 homes and buildings located in the utility's service territory. A
18 utility may promote and advertise a greenhouse gas emissions
19 reduction program to its ratepayers.

20 **Sec. 20.** 2007 c 349 s 3 (uncodified) is amended to read as
21 follows:

22 The legislature finds and declares that greenhouse gases offset
23 contracts, credits, and other greenhouse gases mitigation efforts,
24 including beneficial electrification, are a recognized utility
25 purpose that confers a direct benefit on the utility's ratepayers.
26 The legislature declares that ((section 4 of this act)) RCW 54.16.390
27 is intended to reverse the result of *Okeson v. City of Seattle*
28 (January 18, 2007), by expressly granting public utility districts
29 the statutory authority to engage in mitigation activities to offset
30 their utility's impact on the environment.

31 **Sec. 21.** RCW 54.16.390 and 2007 c 349 s 4 are each amended to
32 read as follows:

33 (1) A public utility district may develop and make publicly
34 available a plan for the district to reduce its greenhouse ((gases))
35 gas emissions or achieve no-net emissions from all sources of
36 greenhouse gases that the district owns, leases, uses, contracts for,
37 or otherwise controls.

1 (2) A public utility district may, as part of its utility
2 operation, mitigate the environmental impacts, such as greenhouse
3 (~~gases~~) gas emissions, of its operation and any power purchases.
4 Mitigation may include, but is not limited to, those greenhouse gases
5 mitigation mechanisms recognized by independent, qualified
6 organizations with proven experience in emissions mitigation
7 activities. Mitigation mechanisms may include the purchase, trade,
8 and banking of greenhouse gases offsets or credits. If a state
9 greenhouse gases registry is established, a public utility district
10 that has purchased, traded, or banked greenhouse gases mitigation
11 mechanisms under this section shall receive credit in the registry.
12 Mitigation may also include implementation of programs including, but
13 not limited to, beneficial electrification programs that result in
14 quantifiable and verified reductions in greenhouse gas emissions from
15 homes and buildings located in the public utility district's service
16 territory. A public utility district may promote and advertise a
17 greenhouse gas emissions reduction program to its ratepayers.

18 NEW SECTION. Sec. 22. A new section is added to chapter 43.330
19 RCW to read as follows:

20 (1) A heat pump and electrification program is established within
21 the department. The purpose of the program is to support job creation
22 and workforce development through the transition of residential and
23 commercial buildings away from fossil fuels by providing incentives,
24 education, and outreach resources for the installation of high-
25 efficiency electric heat pumps and other electric equipment.

26 (2) The department shall implement a statewide heat pump program
27 consistent with the following:

28 (a) Provide coordination and technical assistance to utilities,
29 housing providers, residential and commercial builders, and the
30 public to promote the adoption of high-efficiency electric heat pump
31 equipment for space and water heating;

32 (b) Develop and distribute educational materials about the
33 benefits of heat pump technology;

34 (c) Develop strategies to ensure that the program serves low-
35 income households, vulnerable populations, and overburdened
36 communities, including dedicating a portion of the program funding
37 for this purpose. For the purposes of this subsection (2)(c),
38 "overburdened communities" has the same meaning as defined in RCW
39 80.28.005;

1 (d) In coordination with the state board for community and
2 technical colleges, support the development of a workforce training
3 and certification program for the installation of high-efficiency
4 electric heat pump equipment; and

5 (e) Develop and implement an incentive program for residential
6 and commercial building owners that convert from a fossil fuel space
7 or water heating system to a high-efficiency electric heat pump. The
8 incentives must be limited to projects installed by certified
9 installers. In developing the incentive, the department may consider
10 higher payments for those with low or moderate incomes, residents or
11 owners of rental properties, and other populations who may be
12 overburdened. Projects or activities funded from the incentive must
13 meet high labor standards, including family sustaining wages,
14 providing benefits including health care and pensions, career
15 development opportunities, and maximize access to economic benefits
16 from such projects for local workers and diverse businesses. Each
17 contracting entity's proposal must be reviewed for equity and
18 opportunity improvement efforts, including: (i) Employer paid sick
19 leave programs; (ii) pay practices in relation to living wage
20 indicators such as the federal poverty level; (iii) efforts to
21 evaluate pay equity based on gender identity, race, and other
22 protected status under Washington law; (iv) facilitating career
23 development opportunities such as apprenticeship programs,
24 internships, job shadowing, and on-the-job training; and (v)
25 employment assistance and employment barriers for justice affected
26 individuals.

27 (3) The department is authorized to contract with a nonprofit
28 trade association, regional market transformation organization, or
29 community organization to implement the program.

30 NEW SECTION. **Sec. 23.** This act may be known and cited as the
31 healthy homes and clean buildings act.

32 NEW SECTION. **Sec. 24.** If any provision of this act or its
33 application to any person or circumstance is held invalid, the
34 remainder of the act or the application of the provision to other
35 persons or circumstances is not affected.

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