BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-0013.1/21
ATTY/TYPIST: ML:lel
BRIEF DESCRIPTION: Concerning fossil fuel risks.
AN ACT Relating to fossil fuel risks; and creating a new section.

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

NEW SECTION. Sec. 1. (1) By December 1, 2022, the department of ecology, in consultation with the utilities and transportation commission, must submit a report to the legislature consistent with RCW 43.01.036 that evaluates the financial and economic costs and risks associated with fossil fuels and that makes recommendations to the legislature regarding how to address those risks.

(2) The evaluation of risks and costs by the department of ecology under subsection (1) of this section must include a quantification of the expected annualized costs over fifty years to state and local government finances, the state's economy, and Washington taxpayers, ratepayers, and residents of:

(a) Potential liabilities and damages from fossil fuel facilities and infrastructure associated with:

(i) The contamination of air, land, or water;

(ii) Emissions, including fugitive emissions, to air, land, or water;

(iii) The outcomes of geological disturbances or other external events that disrupt normal facility and infrastructure operations;
(iv) Routine or catastrophic accidents as a result of normal facility operations; and

(v) The abandonment or retirement of infrastructure or other fossil fuel assets without sufficient financial assurances to cover public costs; and

(b) Potential liabilities and damages from contributions to climate change caused by the operation of fossil fuel facilities and infrastructure and the consumption of the products they produce, including:

(i) Economic risks associated with changes in the frequency and severity of wildfires, floods, storms, drought, infestations of nonnative diseases and pests, and other natural hazards; and

(ii) The public costs associated with efforts to adapt to or mitigate the effects of climate change.

(3) For the purposes of subsection (2)(a) and (b) of this section, the department of ecology may rely upon previously conducted research and analyses, with updates to the data or analyses as appropriate.

(4) The report to the legislature submitted consistent with this section must:

(a) Evaluate the sufficiency of existing requirements to address risks similar to or overlapping with those risks and costs evaluated under subsection (2) of this section, including the requirements of chapters 88.40 and 70A.300 RCW. The report may include recommendations for how to implement, or to expand the scope of risk coverage provided by, chapters 88.40 and 70A.300 RCW, in order to reduce the degree to which the risks and costs associated with fossil fuel production, supply, and use are borne by Washington taxpayers, ratepayers, and residents;

(b) Recommend, in the form of draft legislation, additions and changes to state law necessary to significantly reduce the degree to which the risks and costs associated with fossil fuel production, supply, and use evaluated under subsection (2) of this section are borne by Washington taxpayers, ratepayers, and residents;

(c) Consider the types of entities involved with fossil fuel production to which financial responsibility requirements could be applied in order to reduce the likelihood that Washington taxpayers and ratepayers would be required to bear the financial burdens associated with fossil fuel costs and risks. The types of entities that the department of ecology must consider include facilities...
regulated under chapter 88.40 RCW, utilities and other owners and
operators of facilities and infrastructure that produce, process, 
store, or transport other fossil fuels, and the owners or operators 
of vessels, railroads, and motor vehicles that transport oil or other 
fossil fuels in bulk as cargo; and

(d) Exclude self-bonding or self-insurance as a sufficient 
financial assurance mechanism.

(5) The definitions in this subsection apply throughout this 
section unless the context clearly requires otherwise.

(a) "Fossil feedstock" includes natural gas, petroleum, coal, or 
any form of solid, liquid, or gaseous product derived from these 
materials.

(b) "Fossil fuel" includes natural gas, petroleum, coal, or any 
form of solid, liquid, or gaseous fuel derived from these materials. 
The term "fossil fuel" includes fossil feedstocks.

--- END ---