

A Summary of Washington State’s Historic Climate-Related 2021 Legislation and its beneficial impact on the Transportation Sector of the Methow Valley – prepared by the Climate Action Plan’s Implementation Hub

A. Methow Valley Climate Action Plan (CAP)

- Transportation Sector of the CAP
 - 92% of greenhouse gas emissions in the Methow Valley come from the transportation sector. Emissions primarily come from gas and diesel-powered vehicles, machinery, and trucks, as well as from aviation
 - These transportation emissions contribute to drier, hotter summers coupled with warmer, wetter winters in the Methow Valley.
 - An immediate/near term action item in the CAP is to organize a transportation initiative to advance electric vehicles, public transportation, ride-share and create a walkable/bikeable community.

B. 2021 Climate Change Reports

- Intergovernmental Panel on Climate Change report (IPCC)
 - The recent landmark IPCC report states that there is no remaining scientific doubt that humans are fueling climate change. The only real uncertainty that remains, its 234 authors state, is whether the world can muster the will to stave off a darker future than the one it already has carved in stone.
 - UN Secretary General Antonio Guterres called the findings “a code red for humanity”.
 - Carbon dioxide in the atmosphere has risen to levels not seen in 2 million years, the authors state.
 - Weather related disasters are growing extreme and affecting every region of the world.
 - The authors are not without hope, however. In the best-case scenario, the world rapidly phases out fossil fuels, embraces renewable energy on a massive scale and overhauls how humans work, eat and travel. Natural systems such as forests and human inventions such as carbon-capture operations pull more and more carbon out of the atmosphere.
 - In this scenario, the world reaches “net-zero” emissions around the year 2050, and warming stabilizes at about 1.5 degrees Celsius above preindustrial levels. Humans adapt to the new planet we have created.
 - Notably, the IPCC report underscores that humans have a profound opportunity to shape a better future by sharply reducing emissions. “Every little bit counts”, say the authors.
- International Energy Agency’s Net Zero by 2050 Report

- In 2021, the International Energy Agency (IEA) prepared a report that maps out how the global energy sector can reach net zero by 2050.
- In the transportation sector, the authors opine that implementing stringent fuel-economy standards and ensuring that no new passenger vehicles operating on fossil fuel powered engines are sold globally past 2035, will result in a rapid shift in vehicle sales toward much more efficient electric vehicles.
- Societal norms and personal choices will play a pivotal role in steering the energy system onto a sustainable path. This includes a shift to cycling, walking, ridesharing and increased public transportation use, as well as replacing regional air travel by high-speed rail in regions where this is feasible.

C. Historic Washington State Legislation will directly impact the transportation sector of the Methow Valley

1. Climate Commitment Act (CCA)

- In the 2021 Washington State Legislative session, the Washington legislature passed the historic Climate Commitment Act (CCA).
- The CCA is designed to deliver emissions reduction with certainty while achieving critical co-benefits that foster a more prosperous and resilient Washington.
- The Legislature adopted a comprehensive program that caps and reduces emissions from Washington’s largest emitters. The cap and invest program will fund investments consistent with the transition to an equitable, prosperous, and resilient net-zero emissions state by 2050. Washington is now the only state to have a mechanism in place to achieve net-zero greenhouse gas emissions by 2050.
- The CCA:
 - Accelerates the clean transportation shift with \$5.2 billion in non-highway transportation spending through 2038, harnessing Washington’s clean and improving power system for an electrified transportation future, plugging the economic drain of imported fuels, and delivering a cleaner, safer transportation infrastructure;
 - Permits a limited use of carbon offset credits, emphasizing in-state projects;
 - Addresses local air pollution measurements;
 - Invests in rural communities by stimulating local economies while equitably improving environmental health;
 - Prioritizes recommendations of the Environmental Justice Council by making investments in the most vulnerable and impacted communities;
 - Annually distributes and auctions a capped and decreasing amount of “allowances” starting in 2023 and aligned with the state’s 2030, 2040, and 2050 greenhouse gas limits;

- Empowers the Environmental Justice Council and local clean air agencies to evaluate and provide guidance on investment and program design; and
- Will create jobs and grants in the electrified transportation system.
- Implementation timeline:
 - Effective date: July 25, 2021
 - Program Commencement: June 1, 2023
- What's next?
 - The legislature needs to pass a transportation funding package.
- Questions concerning the CCA should be directed to Andrew Wineke at the Washington State Department of Ecology. Andrew.wineke@ecy.wa.gov.

2. Clean Fuel Standard (CFS)

- Transportation is the largest category of greenhouse gas emissions in Washington, accounting for approximately 45% of Washington's total emissions. As a consequence, the Washington legislature also passed a Clean Fuel Standard in 2021. It reduces air and climate pollution by requiring transportation fuel producers to reduce carbon intensity in their products or invest in the production of cleaner fuels, such as sustainable biofuels and electricity.
- Clean fuel producers and fleet operators will be able to further expand clean fuels production and use in Washington.
- Utilities must invest credits they receive from clean electricity being used as fuel into further transportation electrification that can include electric school buses, public electric vehicle charging stations, electric vehicles for nonprofit organizations, and more.
- Passage of the CFS ensures pollution is reduced by requiring transportation producers to reduce the carbon intensity of their fuels to 20% below 2017 levels by 2038..
- The CFS will result in rapid decarbonization of the region's transportation sector through a performance standard that is technology neutral. The Washington program will provide the long-term market signals and certainty that will drive innovation, economic development, job creation in the biofuels industry, cleaner air and put Washington on the path to net zero carbon emissions by 2050.
- Questions should be directed to Kathy Taylor at the Washington State Department of Ecology. Kathy.taylor@ecy.wa.gov.

3. Zero Emissions Vehicle (ZEV) Standard

- In 2020, Governor Jay Inslee signed the Zero Emissions Vehicle (ZEV) Standard. The ZEV standard requires automakers to deliver a certain number of zero emission vehicles each year, and earn credits based on the number of vehicles produced and delivered for sale.

- The ZEV standard is an integral part of Washington's plan to transform Washington's transportation system to zero emissions. It will also provide job opportunities in the electric vehicle industry and infrastructure build out.
- Questions concerning the ZEV should be directed to Andrew Wineke at the Washington State Department of Ecology. Andrew.wineke@ecy.wa.gov.

4. Zero Emission Vehicles – Preparedness

- Washington's 2021 Legislature directed the State Building Code Council to adopt rules for electric vehicle infrastructure at all new buildings that provide onsite parking, and directed the Washington State Department of Transportation to develop an online map of charging locations and a forecast for the future growth of zero emission vehicles.
- This legislation will create jobs in the electric vehicle infrastructure build out.
- Questions should be directed to Andrew Wineke at the Washington State Department of Ecology. Andrew.wineke@ecy.wa.gov.

5. Sales Tax Incentive Programs for Electric Vehicles and Infrastructure.

- In 2019, the Washington legislature passed HB 2042-2019. It provides up to \$2500 in a sales tax incentive for residents who purchase electric vehicles, and provides funding to expand electric vehicle charging infrastructure through the Electric Fleets Initiative and Executive Order 18-0-1 on State Efficiency and Environmental Performance.
- HB 2042 also creates grant programs to help transit agencies make capital investments in zero-emission transit options, such as electrifying buses.
- It also funds a study to find opportunities for financial assistance for lower income residents to purchase electric vehicles.
- It provides \$3.6 million in funding for projects that demonstrate electric car-sharing in low-income communities and rural areas over six years.
- It also provides \$1 million annually to continue building out the state's fast charging network.
- Questions should be directed to Andrew Wineke at the Washington State Department of Ecology, Andrew.wineke@ecy.wa.gov. Alternative contact is Michael.breish@commerce.wa.gov.

6. Electric Vehicle Supply Equipment.

- Washington's Electric Vehicle Supply Equipment legislation sets foundational standards for electric vehicle public charging stations, including increased access by the public to electric vehicle charging stations.
- Questions should be directed to Andrew Wineke at the Washington State Department of Ecology. Andrew.wineke@ecy.wa.gov.

7. Transportation Demand Management

- Washington State House Bill 1514-2021 provides a tax exemption for vehicles that are used for ridesharing.
- Questions should be directed to Andrew Wineke at the Washington State Department of Ecology. Andrew.wineke@ecy.wa.gov.

8. Hydrogen Fuel Cell Electric Vehicle Pilot Sales and Use Tax Exemption Program

- To increase the use of green hydrogen fuel cell electric vehicles, the Washington legislature passed a bill that establishes an eight-year pilot tax incentive program.
- A purchaser will receive a partial sales and use tax exemption when purchasing hydrogen fuel cell electric vehicle in Washington.
- Questions should be directed to Andrew Wineke at the Washington State Department of Ecology. Andrew.wineke@ecy.wa.gov.

D. Electrification Collaborations.

1. Climate Mayors Electric Vehicle Purchasing Collaborative.

- The Collaborative represents unprecedented cooperation among climate mayors' cities across the country to leverage their collective buying power and accelerate the conversion of public fleets to electric vehicles.
- It is a turnkey, one-stop, online procurement portal providing U.S. cities, counties, school districts, courts, state and local governments, and public universities equal access to competitively bid on electric vehicles and charging stations infrastructure, innovative financing options, and best practices.
- Questions should be directed to climatemayors.org.

2. Electrification Coalition.

- The Electrification Coalition develops and implements a broad set of strategies to advance electric mobility beyond early adopters and drive economies of scale.
- These strategies include policy development, cultivating bipartisan support, consumer experience and education, fleet electrification, electric vehicles supply chain development, sustainable business models, and others.
- Questions should be directed to Electrification Coalition (202) 448-9300.

E. For a deeper dive, following are links to additional transportation-related resources in Washington:

- 1) Summaries of all current Washington laws, incentives, regulations, funding opportunities, and other initiatives related to alternative fuels and vehicles, advanced technologies, or air quality.
<https://afdc.energy.gov/laws/all?state=WA>
- 2) A table that summarizes transportation funding sources in Washington.
<http://www.energy.wsu.edu/GreenTransportationProgram/FundingOpportunities.aspx>
- 3) A page that provides links to major federal and state grant/loan programs available for local government transportation projects in Washington State.
<https://mrsc.org/Home/Explore-Topics/Transportation/Transportation-Funding/State-and-Federal-Transportation-Grants-and-Loans.aspx>
- 4) Washington's Transportation Fund Directory
<https://www.wafunddirectory.wa.gov/transportation/>
- 5) Summary of Washington's 2021-23 transportation budget.
<https://www.agcwa.com/transportation-budget-keeps-the-lights-on/>
- 6) A link to the Washington State Department of Commerce's "Transportation Efficient Communities" website.
<https://www.transportationefficient.org/>
- 7) Summary of the Climate Commitment Act by the Washington State Department of Ecology.
<https://ecology.wa.gov/Air-Climate/Climate-change/Greenhouse-gases/Reducing-greenhouse-gases/Climate-Commitment-Act>