



ISSUE BRIEF

Carbon Policy and Grid Electrification

Key facts

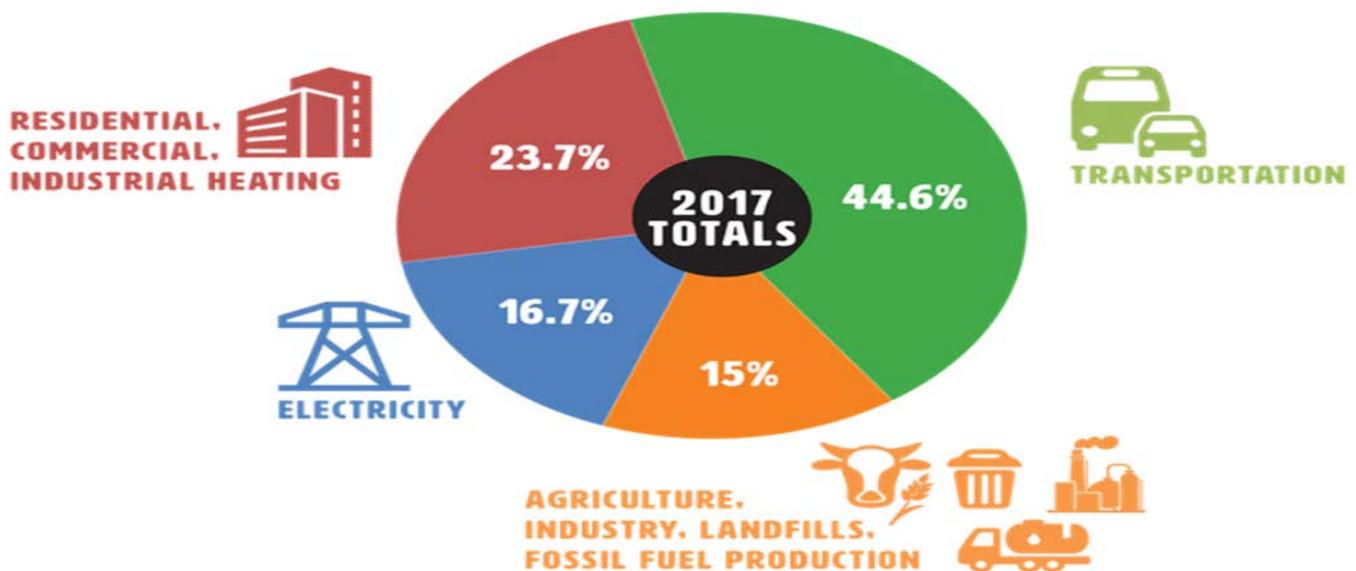
- Washington’s electric power sector is 87% carbon emissions free. Source: [Energy Information Administration](#).
- Washington has the fifth-largest crude oil refining capacity in the nation and can process almost 652,000 barrels of crude oil per day at the state's five refineries. Source: [Energy Information Administration](#).
- Washington had the nation’s third-lowest average retail price for electricity in 2018. Only Louisiana and Arkansas had lower average prices. Source: [Energy Information Administration](#).

The debate

Washington has clean, affordable energy that is a competitive advantage for our economy and is home to good-paying refinery jobs. Democrat proposals threaten this competitiveness. Should markets determine energy sources in Washington, or should government mandates? These mandates include a proposed cap on carbon emissions, mandate on the carbon-content of transportation fuel, and required phase out of fossil fuel feedstocks (natural gas and coal). Should affordability and reliability be given greater value in energy policy, or should environmental goals be given supremacy?

In 2020, Washington’s legislature voted to update our state’s greenhouse gas emissions reductions targets. [House Bill 2311](#) (2020). The new targets set a goal of reducing those emissions to 5 million tons by 2050; this would be 95 percent below 1990 levels. [Note: the [Kyoto Protocol](#) set emission reduction targets relative to 1990 levels, and is the reason we use 1990 as the baseline]. The debate is how to achieve these aggressive carbon reduction goals.

Washington’s annual greenhouse gas emissions totaled 97.5 million tons in 2017. GHG sources by Sector:



Transportation dominates Washington state's climate impacts
 CREDIT: WASHINGTON DEPARTMENT OF ECOLOGY

Background

With the passage of the Clean Energy Transformation Act (CETA) in 2019 ([House Bill 5116](#)), the state set itself on a path to an electricity sector free of greenhouse gas emissions by 2045. The focus of attention of the climate change stakeholders is now securing reductions in the transportation sector (45% of emissions) and reducing energy use and carbon emissions in new and existing buildings (24% of state emissions) through electrification (removing fossil fuels). CETA directed the Department of Commerce to update the state’s energy strategy by the end of 2020. This updated strategy, which is focused on “deep decarbonization,” i.e. major reduction in fossil fuel use, will likely inform legislative proposals for the 2021 session.

Here are some recent bills on this topic:

Transportation	Buildings
Authorizing utilities to spend money on electric vehicle charging infrastructure. House Bill 1512 (2019); House Bill 1853 (2015)—Both Enacted. Advancing green transportation adoption. House Bill 2042 (2019)—Enacted. Provided sales tax exemption for alternative fuel vehicles.	Commercial building energy benchmarking. House Bill 1257 (2019)—Enacted. Commerce was authorized to set an energy performance standard for commercial building energy consumption, and to assess fines for noncompliance after June 1, 2026.
Low carbon fuel standard. House Bill 1110 (2020)—Passed House. Transportation fuel producers and importers can comply with requirements to reduce by 20 percent the carbon intensity of each unit of transportation fuel by purchasing credits. Credits are generated by transportation electrification investments.	Home and building electrification. House Bill 2586 (2020)—Passed House Environment Committee. Aimed at removing natural gas furnaces, fireplaces, water heaters, stoves and other “end uses” from homes and buildings, the bill would have allowed municipal and public utility ratepayer dollars to subsidize removal of natural gas infrastructure and conversion to electricity.
Reducing emissions from on-demand transportation services. House Bill 2310 (2020)—Passed House. The bill would require rideshare service providers to report vehicle miles driven and GHG emissions and implement plans set by Ecology to reduce totals. Ecology would report to Legislature on a similar regulator program for providers of other delivery services like food and consumer goods.	Commercial Property Assessed Clean Energy & Resilience (C-PACER). House Bill 2405 (2020)—Enacted. The bill allows super-priority lien to incentivize financing of energy efficiency upgrades.

What to expect in the 2021 session

From the governor and other Democrats, expect to see legislative proposals that would:

- Regulate the carbon content of transportation fuels (low-carbon fuel standard) and promote electrification of buildings (switching from fossil fuels to electricity use for space heating, water heating, cooking, and clothes drying)

From Republicans, expect to see proposals to:

- Provide incentives to reduce carbon—not mandates. Focus on cooling cities and streams with tree canopy, cool roofs.

Stakeholders

- Electric and natural gas utilities: [Avista](#), [PSE](#), [PacifiCorp](#), [Cascade Natural Gas](#), [NW Natural Gas](#), [PUDs](#), Municipal utilities, [Rural Electric Co-ops Association](#), [Northwest Requirements Utilities](#), [Energy Northwest](#);
- Climate advocates and environmental groups: [Washington Conservation Voters](#), [Climate Solutions](#), [Northwest Energy Coalition](#), [Carbon WA](#), [Sierra Club](#), [The Nature Conservancy](#), [Transportation Choices Coalition](#)
- Industry groups: [Western States Petroleum Association](#), [Northwest Gas Association](#), [Trucking Association](#); [Alliance of Western Energy Consumers](#), [Clean Tech Alliance](#), [Solar Installers](#), [Building Industry Association of Washington](#), [Washington State Farm Bureau](#), [Northwest Food Processors Association](#); [Association of Washington Business](#), [Northwest Hearth, Patio & Barbecue Association](#)