JAY INSLEE
Governor

STATE OF WASHINGTON
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EXECUTIVE ORDER 18-01

STATE EFFICIENCY AND ENVIRONMENTAL PERFORMANCE

WHEREAS, increasing the energy efficiency of state government operations reduces spending on energy, is a wise use of taxpayers' dollars, and allows agencies to redirect funds towards citizens' critical needs; and

WHEREAS, improved technology has made new, clean-energy vehicles and buildings in many cases cheaper to own and operate over their life cycles than their traditional alternatives, shattering outdated notions of having to decide between doing what's "right" and doing what is affordable; and

WHEREAS, cutting harmful pollution caused by the burning of fossil fuels for state facilities and vehicles—and reducing the use of dangerous toxics in the products state agencies purchase—will have a direct positive effect on human health, particularly for vulnerable children; and

WHEREAS, increasing energy efficiency and accelerating the adoption of renewable energy strengthens Washington's economy in many ways, including: by promoting clean, home-grown energy over the burning of imported fossil fuels; by expanding employment in the construction trades; and by improving job growth and competitiveness in clean energy businesses and technologies in the state; and

WHEREAS, reducing levels of atmospheric greenhouse gases (GHGs) will support Washington's fight against climate change, which is already costing Washington businesses and governments—and harming citizens—through more severe wildfires, droughts, heat waves, damaging storms and flooding, as well as degraded water supplies, rising sea levels, increased damage from invasive species, greater stresses on agricultural and forestry crops, damage to salmon fisheries, and harm to shellfish from ocean acidification, among other costly impacts; and

WHEREAS, the state has already committed itself to action through the Pacific Coast Collaborative, the Under2MOU signed in Paris, RCW 70.235 (establishing state GHG emission reduction limits), and RCW 19.27A (requiring energy efficiency improvements for state facilities); and

WHEREAS, Washington State should build on its proven record as a national leader in energy efficiency and carbon emissions reduction, and meet its obligation to its children and future generations, by dramatically reducing and ultimately eliminating 100% of greenhouse gas emissions from state operations;

NOW, THEREFORE, I, Jay Inslee, Governor of the state of Washington, by virtue of the power vested in me by the Constitution and statutes of the state of Washington do, effective immediately, hereby order and direct as follows:

1. EMISSIONS REDUCTION INITIATIVES

When making purchasing, construction, leasing, and other decisions that affect state government's emissions of GHGs or other toxic substances, agencies shall explicitly consider the benefits and costs (including the social cost of carbon) of available options to avoid those emissions. Where cost-effective and workable solutions are available that will reduce or eliminate emissions, decision makers shall select the lower-emissions options.

A cross-agency Governing Council shall adopt and implement clear and workable standards, measures, targets, and tools necessary to support agencies in making emissions-reducing choices. Directors of the state agencies covered by this order, operating in compliance with the parameters established by the Governing Council, shall be responsible for the following:

a. Zero-Emission Vehicles. For many uses, battery-electric vehicles (BEVs) are now more cost-effective for the state to own and operate than conventionally-powered or hybrid vehicles, considering full life-cycle costs. Therefore, Directors shall ensure that each lease or purchase of new vehicles shall prioritize BEVs (or better emerging technology), and that all trips which could be feasibly made by BEVs shall employ them. For vehicle classes in which BEVs are not available, agencies shall prioritize the most cost-effective low-emission options available.

b. New Facility Construction. For a growing number of facilities, the cost of constructing a zero energy or zero energy-capable building is now comparable to that of a conventional building, promising decades of reduced energy costs. Therefore, Directors shall ensure that all newly-constructed state-owned (including lease-purchase) buildings shall be designed to be zero energy or zero energy-capable, and include consideration of net-embodied carbon. In unique situations where a cost effective zero-energy building is not yet technically feasible, buildings shall be designed to exceed the current state building code for energy efficiency to the greatest extent possible.

c. Energy Efficiency in Owned and Leased Facilities. Since most state facilities are currently operating at well below their maximum feasible energy efficiency, Directors shall ensure that their agencies adopt and implement plans to dramatically reduce energy use in state-owned facilities, with an initial target of reducing energy consumption by at least 10% during the first year, to be adjusted annually by the Governing Council, based on emerging opportunities and results. In most cases, agencies will choose to adopt tools to improve energy efficiency, operations, process management, and occupant behavior in the short term, while accelerating planning for deep facility retrofits and new construction in the out-years. For leased facilities, where a working group identifies cost-effective opportunities for savings, Directors shall ensure the pursuit of these opportunities.

d. State Ferries. The Secretary of the Department of Transportation (WSDOT) shall ensure that the Washington State Ferry system begins the transition to a zero-carbon-emission ferry fleet, including the accelerated adoption of both ferry electrification and operational improvements that will conserve energy and cut fuel use.

e. 100% Clean Electricity. As the price of renewable energy technologies continue to fall, supporting state operations with zero-emissions electricity sources is becoming more feasible and cost-effective. Directors shall ensure that agencies are evaluating available options from

electricity providers, and pursuing opportunities identified by the Council to support state operations from zero-emissions electricity sources.

f. Toxics Reduction. Directors shall ensure that their agencies are complying with state rules and guidance on environmentally preferable purchasing. Directors of the Department of Enterprise Services (DES) and the Department of Ecology (ECY) shall ensure that their agencies are collaborating to produce guidance that is simple, clear, and targeted on the most important opportunities for toxics reduction.

g. Finance and Budget. Current fiscal policies, created in the past under different conditions, may in some cases unnecessarily impede the state's ability to quickly adopt new technologies even though they are cost-effective when considering full life-cycle costs. Directors shall support the efforts of a working group to better align current fiscal policies or create new policies where needed to support emissions-reduction and carbon sequestration efforts.

2. AGENCY LEADERSHIP

To ensure operational success, the above initiatives shall be driven by working groups of agency staff operating in their areas of expertise, reporting to a Governing Council (Council) of executives partnering across agency lines.

a. Governing Council Mission. The mission of the Governing Council is:
   1. To identify the most cost-effective opportunities for dramatically reducing GHG emissions, sequestering carbon, and improving the energy efficiency of state government operations;
   2. To adopt and implement all standards, measures, targets, and tools necessary to reduce atmospheric GHGs and exposure to toxics, including authority to restrict agencies from buying off-contract, when environmentally preferred products are available on state contracts;
   3. To report to the Governor directly at regularly scheduled intervals; and
   4. To recommend to the Governor changes in policies, practices, and procedures needed to achieve results.

   With the assistance of chartered working groups of agency experts, the Council shall adjust its portfolio of projects and continuously improve policies and practices as technology improves, conditions change, and progress are made.

b. Governing Council Membership. Members shall include the Directors (or their designees) of the three largest emitters, the Department of Social and Health Services (DSHS), WSDOT, and the Department of Corrections (DOC); along with the Directors (or their designees) of the four key resource and support agencies, DES, ECY, the Department of Commerce (COM), and the Office of Financial Management (OFM). Invitations for membership are also extended to the University of Washington (UW), Washington State University (WSU), and the Department of Natural Resources (DNR). Members shall convene on a regular basis to monitor progress on emissions reduction efforts, take joint action to remove obstacles to success, identify emerging goals and priorities, and take other necessary actions to ensure the success of these initiatives. The Governor will appoint the Council Chair.

c. Agencies Covered. The provisions of this order shall initially apply only to the largest carbon-emitting agencies: DSHS, WSDOT, DOC, DES, ECY, the Washington State Patrol (WSP), the Department of Veterans Affairs (DVA), the Department of Labor & Industries (LNI), the

Department of Health (DOH), and the Liquor and Cannabis Board (LCB). The Washington State Department of Agriculture (WSDA) and COM shall be included because of their key roles in implementation. Each covered agency, along with OFM, shall designate one executive-level manager and one staff member to work closely with the Office of State Efficiency and Environmental Performance to coordinate and monitor their agency's adherence to this order.

d. Working Groups. The primary work of developing and implementing the emissions and toxic reductions initiatives listed in section 1 shall be carried out by working groups, chartered by the Council, and comprised of key agency implementers and experts. The working groups shall 1) develop menus of the best available options for emissions reductions in their assigned area, 2) participate in and monitor the implementation of those efforts, 3) document, share, and disseminate "best practices," 4) ensure development of tools needed for success, and 5) recommend policy changes to the Council. Most importantly, they shall identify organizational or systemic obstacles to success, and bring those to the Council for action and resolution. Each working group shall update the Council on its progress at each monthly Council meeting.

e. Emissions Reduction and Efficiency Investments. Each year, each covered agency's reported GHG emissions shall be multiplied by an appropriate cost of carbon to calculate that agency's emissions-reduction and efficiency investment target. In each fiscal year, covered agencies shall 1) identify a portfolio of cost-effective investments (such as acquiring BEVs, chargers, high-efficiency equipment, building retrofits, et al.) equal to or exceeding their target; and 2) either make those investments or commit to them for future years. As long as agencies make or commit to all identified cost-effective investments, they will be deemed to be meeting this target, even if the level of investment does not meet the initial target. The Council shall develop consistent, effective guidance needed for implementation of this investment process (such as determining valid and invalid expenditures, the appropriate price of carbon, and the apportionment of multi-year expenditures).

f. Additional Authority. The Council shall have full authority to develop all policies, procedures, and tools needed to quickly and effectively implement this order (such as adopting measures, scorecards, agency reporting standards, a price of carbon, and standards for return-on-investment, Renewable Energy Credits (RECs), carbon sequestration, and offsets). The Council shall move quickly, with an emphasis on pilots and experiments, followed by continuous improvement. Once the initiatives specified in this order are underway, the Council shall recommend to the Governor how best to expand this order to achieve additional results (such as by expanding coverage to additional agencies and institutions, and by expanding coverage to additional emissions sources, like employee commute trips).

3. OFFICE OF STATE EFFICIENCY AND ENVIRONMENTAL PERFORMANCE

The work outlined in this Order shall be supported and guided by the Office of State Efficiency and Environmental Performance (SEEP). The SEEP Director shall serve as the Governing Council Administrator, whose duties shall include the administration and work preparation of the Governing Council. The Governing Council Administrator shall be authorized to act on behalf of the Governing Council to convene, oversee, and monitor workgroups; to facilitate stakeholder meetings on behalf of the Council; to prepare the Council's reports, administer the council's road map, and report out the progress of the council at stakeholder meetings; and to perform research and make recommendations to the Council. The Administrator shall coordinate with the Office of the Governor to ensure the Council and working groups receive the support they need from the Office of the Governor to deliver success.

The Administrator shall convene an operational working group, including staff leads from covered agencies, to monitor overall progress and seek early resolution of challenges before they become obstacles. The work of SEEP shall be integrated and coordinated with the work of Results Washington.

I invite all other elected officials, agencies, boards, and commissions and institutions of higher education to follow the provisions of this order.

This Order is effective immediately and shall supersede Executive Orders 02-03, 05-01, 12-06, and 14-04, which are hereby rescinded. Reporting mechanisms to be established by the Council under this Order shall supersede those specified in Executive Order 04-01.

This Order is not intended to confer, and does not confer, any legal right or entitlement, and shall not be used as a basis for legal challenges to any rule or to any other action or inaction of the governmental entities and employees subject to it.

Signed and sealed with the official seal of the state of Washington on this 16th day of January, 2018, at Olympia, Washington.

By:

Jay Inslee
Governor

BY THE GOVERNOR:

Secretary of State