Gov. Inslee Partially Vetoes Legislation Setting 2030 Goal For All Sales Of Vehicles To Be Electric, But Adopts Provisions Laying The Groundwork For Broad Electric Vehicle Adoption

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In its just-concluded session, the Washington legislature passed several pieces of legislation intended to promote the transition of Washington's transportation system away from fossil fuels. The most consequential of these, the Clean Fuels Program, is scheduled to be signed by Gov. Inslee on May 17, 2021. Three additional pieces of legislation are also worthy of note. <u>HB 1287</u> lays the groundwork for the transition to an electrified transportation system. <u>SB 5192</u> sets requirements for standardization of public electric vehicle charging stations. Finally, <u>SB 5000</u> creates a sales and use tax exemption for hydrogen-powered vehicles.

As passed by the Legislature, HB 1287 set a 2030 goal for all new vehicle sales in Washington to be electric, but made that goal contingent upon the adoption of a 100% "road usage charge" or equivalent tax being enacted that covers 75% or more of registered passenger and light-duty vehicles in the state. This provision likely arises from the legislature's rising anxiety about its reliance on a gasoline tax to fund transportation program when gasoline sales are likely to drop significantly in coming decades. Exercising his authority to veto specific sections of bills adopted by the Legislature, Gov. Inslee vetoed that section, asserting "achieving a goal of 100% electric vehicles is too important to tie to the implementation of a separate policy like the road usage charge." Gov. Inslee's action leaves three important aspects of HB 1287 intact.

First, the legislation requires Washington's electric utilities to include modeled estimates for new load from electric vehicle charging in their <u>Integrated Resource Plans</u>. These load forecasts should be coordinated with the utilities' electrification of transportation plans that are required under the <u>Clean Energy Transformation Act</u>, the statute enacted in 2019 that requires utilities to transition to 100% non-emitting generation by 2045.

Second, the legislation requires the Washington Department of Transportation to developing a mapping and forecasting tool that will predict where electric vehicle charging infrastructure will be built, how fast electric vehicle adoption will occur, traffic flows, electric demand for vehicle charging, and other factors to aid utilities and agencies of government in planning for electrification of the transportation system. The legislation defines "electric vehicle" broadly to include not just passenger

vehicles, but boats, public transport, commercial vehicles, and vehicles used in the transportation of goods, so the mapping and forecasting tool will look broadly at all forms of transportation electrification. The tool is to be developed in a stakeholder process that involves electric utilities and other interested parties.

Third, the legislation requires building codes to be updated to require buildings with parking facilities be constructed with wiring that will accommodate Level 2 (240 volt, 40 amp) charging stations for at least ten percent of parking spaces. The rules must be adopted by July 1, 2021, except that rules for high-density residential housing must be implemented by July 1, 2024. Once adopted, these rules should help ensure that stores, residential building complexes, and workplaces are built to accommodate electric vehicle charging without expensive wiring retrofits.

HB 1287 may well generate additional interest in similar action by other governments. In fact, Governor Inslee joined the governors of eleven states in an <u>April 21 letter</u> to President Biden urging him to adopt a federal goal of converting new vehicle sales to all-electric by 2035, among a number of other measures that would help electrify the transportation system in the coming decades.

SB 5192 is also aimed at facilitating the transition to electric vehicles. It focuses on making public electric vehicle charging stations more accessible. The bill requires standardization of signage for all public charging stations, including those on private property that are available to members of the public, such as retail stores that offer charging to their customers. The bill also requires that standard methods of payment can be used at public charging stations that charge a fee. And the bill requires the adoption of interoperability standards for charging stations, so that EV owners are able to use charging stations in much the same way that owners of internal combustion automobiles can fill at any gas station using standardized equipment. Finally, SB 5192 requires the Washington Department of Agriculture (which operates the state's system for ensuring the accuracy of gasoline pumps and other standards of weights and measures) to inventory charging stations in the state and establish standards to ensure that the fees EV owners pay for charging are accurate.

Finally, SB 5000 creates a pilot program for sales and use tax exemptions for hydrogen-powered vehicles. Douglas County PUD is currently building a plant that will generate hydrogen from the PUD's Wells Dam. Although hydrogen propulsion technology is still in its <u>infancy</u>, these developments lay the groundwork for expansion of the technology in the state.

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