

2024

TRI-CITIES LEGISLATIVE

Council



REPRESENTING:

- Pasco Chamber of Commerce
- Tri-Cities Hispanic Chamber of Commerce
- Tri-City Development Council (TRIDEC)
- Tri-City Regional Chamber of Commerce
- Visit Tri-Cities
- West Richland Chamber of Commerce

2024 LEGISLATIVE PRIORITIES:

- Robust State Funding for Advanced Small Modular Reactor Project
- HB 1981 — Expanding Nuclear Fuel Manufacturing Jobs in Washington
- HB 2120 — Amending Targeted Urban Area Property Tax Exemptions
- Establishing Circular Industrial Symbiosis Parks in Washington
- Hospitality Center of Excellence at Columbia Basin College
- Creating a Green Fertilizer Manufacturing Work Group

PASCO
Chamber of Commerce



Tri-Cities Legislative Council – 2024 Legislative Priorities

“Keeping a bridge of communication between the Tri-Cities and Olympia”

*Tri-City Regional Chamber of Commerce, Tri-City Development Council (TRIDEC), Visit Tri-Cities,
Pasco Chamber of Commerce, West Richland Chamber of Commerce, Tri-Cities Hispanic Chamber of
Commerce*

The Tri-Cities Legislative Council (TCLC) submits for your consideration our 2024 Legislative Priorities which reflect the unanimous support of our member organizations. These legislative priorities represent input solicited from cities, counties, ports, community organizations, public utilities, businesses, educational institutions, and other members of our community.

We encourage you to consider these priorities as you evaluate the many important matters before the Washington State Legislature. These six measures represent critical opportunities for the Tri-Cities to maintain and enhance the resiliency and vibrancy of our community, the greater Mid-Columbia region, and the entire state.

We invite you to reach out for clarification or additional information. Thank you for your consideration!

Sincerely,

N. Zach Ratkai, Benton-Franklin Council of Governments
Sean V. O’Brien, Energy Forward Alliance
Tri-Cities Legislative Council Co-Chairs



Priority #1: Robust State Funding for Advanced Small Modular Reactor Project

Washington state, through the legislature and executive agencies, is providing funding to facilitate drastic greenhouse gas emissions reductions and the clean energy transition. **Realizing the state's climate goals, and the Clean Energy Transformation Act's clean electricity mandates**, requires the development of new firm, reliable, carbon-free energy generation facilities. New nuclear energy technologies, such as small modular reactors (SMRs), will produce dependable carbon-free energy capable of replacing traditional fossil-fueled power plants and integrating with renewable resources, thus providing balance to the grid.

Energy Northwest (EN) is in the process of developing one of the first commercial advanced small modular reactor (SMR) projects in central Washington state. With plans to license and construct up to 12 80-megawatt Xe-100 modules on a previously licensed site near Columbia Generating Station – with a total potential output of 960 megawatts – this facility will help facilitate the clean energy transition and maintain grid reliability. The current timeline projects a commercial operation date in the 2030-2031 timeline, which aligns with the effective date of CETA's "Greenhouse Gas Neutral Standard". However, without additional early project capital the schedule will begin to slip later into the 2030s.

To date, **approximately \$10 million has been invested** in the project by EN and supporting entities, including nearly \$1 million from 17 northwest public utilities. As a not-for-profit joint operating agency, EN plans to finance the project through a combination of loans through the U.S. Department of Energy's Loan Programs Office and private capital. The Washington State Legislature has an opportunity to invest in this critically important carbon-free energy project to ensure we meet our clean energy goals.

TCLC strongly supports robust funding from the state to support Energy Northwest's advanced small modular reactor project.

Priority #2: HB 1981 – Expanding Nuclear Fuel Manufacturing Jobs in Washington

HB 1981 will support growth in the nuclear energy and manufacturing industry while furthering the state's decarbonization initiatives. The legislation creates a preferential B&O tax rate for businesses

engaged in making retail sales and manufacturing of nuclear fuel or nuclear assemblies. The preferential rate would be set at 0.25 for these activities and is intended to act as a significant financial incentive for nuclear fuel and assembly manufacturers to develop and deploy clean energy technology while creating family wage jobs in Washington State.

Specifically, reducing the B&O tax on nuclear fuel manufacturers will not only promote the expansion of current operations, but also attract new business and jobs in the area of advanced nuclear fuels.

TCLC strongly supports HB 1981 to create a preferential B&O tax rate to expand nuclear fuel manufacturing jobs in Washington state.

Priority #3: HB 2120 – Amending Targeted Urban Area Property Tax Exemptions

Utilizing HB 1386, which was passed in 2022 authorizing Targeted Urban Areas (TUA), the City of Richland quickly created the state's first TUA in 2023 with ATI Inc., an advanced specialty materials company that supports aerospace and defense industries. **The success of Richland's TUA program** has prompted the consideration of a second TUA with Framatome, an existing Richland business, to expand new advanced nuclear fuel production with Ultra Safe Nuclear Corp., based in Seattle. Currently the TUA program allows three years for design and construction, with the option of one two-year extension, but this five year timeline is much too short for nuclear facilities.

A potential amendment to RCW 84.25.110(5) would state: *"If the city finds that the work was not completed within the required time period due to circumstances beyond the control of the owner and that the owner has been acting and could reasonably be expected to act in good faith and with due diligence, the governing authority or the city official authorized by the governing authority may extend the deadline for completion of the work for a period not to exceed twenty-four consecutive months, unless the project is a nuclear facility requiring certification by the United States Nuclear Regulatory Commission, and in that case, up to two additional twenty-four consecutive month extensions may be granted."*

TCLC strongly supports HB 2120 to ensure entities regulated by the Nuclear Regulatory Commission have access to the benefits of Washington's Targeted Urban Areas program.

Priority #4: Establishing Circular Industrial Symbiosis Parks in Washington

Building on the work that the Legislature has done in collaboration with the Center for Sustainable Infrastructure (CSI) to pass the nation's first Industrial Symbiosis Program and to build a case for Agriculture Symbiosis investments, **Washington has an opportunity to become a model for this next generation of clean industry** in the U.S. in establishing leading edge Circular Industrial Symbiosis Parks in the state.

In Pasco, agricultural producers and processors, **utilities engaged in clean energy transformation**, researchers focused on ag-innovation, and local governments with the vision to grow the clean industry economy are focusing efforts on an Agricultural Symbiosis industrial park. State funding is needed to establish this visionary project that will serve as a pilot project – along with a pilot in Longview, WA – for growing Industrial and Agricultural Symbiosis efforts across Washington.

TCLC strongly supports \$2.5 million – \$1.25 million for the Port of Pasco – to complete the initial feasibility and stakeholder workshop processes for establishing Agriculture Circular Industrial Symbiosis Parks.

Priority #5: Hospitality Center of Excellence at Columbia Basin College

With **approximately 278,000 Washington workers** represented in the hospitality and tourism industry, the sector stands to be Washington's largest credential-completing industry by encouraging post-secondary attainment. Washington State's Centers of Excellence (COE) serve as a hub between industry, education, and state leadership, supporting workforce development and economic growth.

COEs are based at colleges around the state and collaborate with each of Washington's 34 community and technical colleges. This will bring forth a standardized credentialing system to the hospitality labor force. A Hospitality Center of Excellence centered at Columbia Basin College (CBC) will convene partners to develop relevant industry credentials, promote paid work experiences, and provide the opportunity to collaborate with others within the industry to work and grow together.

This proposed COE, which is supported by both the Washington State Hospitality Association and Washington Association of Community and Technical Colleges, will be strongly aided by the Tri-Cities' growing hospitality industry, a land grant R1 institution in Washington State University Tri-Cities, and one of the state's most recognized career connected learning colleges in CBC.

TCLC strongly supports \$257,000 to create a Hospitality Center of Excellence to be hosted at Columbia Basin College.

Priority #6: Creating a Green Fertilizer Manufacturing Work Group

The Tri-Cities continues to pioneer green technologies with the potential to revolutionize entire industries, reduce emissions, and diversify the economy. Atlas Agro has developed industrial processes to manufacture high-yield fertilizer that produces sharply lower greenhouse gas emissions compared to traditional fertilizer manufacturing, all while harnessing the power of green hydrogen.

As a partner in the recently-awarded Pacific Northwest Hydrogen Hub, Atlas Agro is just one more example of how Tri-Cities is attracting investment and creating jobs in the clean energy industry. **To support this continued work and the future access of green fertilizer for the region,** a firm understanding of the environmental benefits of green fertilizer, the economic impacts on farmers, the development and capacity of local green fertilizer manufacturers, and how a grant program designed to encourage farmers to purchase green fertilizer can ensure equitable access among 29 different agricultural sectors should be established.

TCLC strongly supports \$250,000 for the creation of a green fertilizer workgroup to prepare a comprehensive report regarding the establishment of a grant program to support farmers in the purchase of green fertilizer produced in Washington state.

THANK YOU

In addition to these six priorities, the Tri-Cities Legislative Council also supports priorities of the community at large as we continue to enhance regional collaboration for our collective benefit. Beyond the specific provisions outlined above, we also support our partners in their priorities including education – both K-12 and higher education – infrastructure and clean energy, urban planning and development, economic development, law enforcement and public safety, agriculture and conservation, and hospitality and tourism.

We would like to thank the Washington State Legislature for their history of support for our community. In recent years, the Tri-Cities Legislative Council has advocated for specific priorities including a feasibility study for an Agricultural Innovation Center in Pasco, for robust funding for an additional mental health and addiction treatment center led by the Benton Franklin Recovery Coalition, and for critical support for the expansion of the Institute of Northwest Energy Futures founded at Washington State University Tri-Cities. Because of your efforts and representation, these community-driven measures received critical support from the Washington State Legislature during recent sessions. Thank you.