



October 17, 2025

Governor Bob Ferguson Office of the Governor PO Box 40002 Olympia, WA 98504-0002

RE: Interagency Clean Energy Siting Coordinating Council Annual Report

Dear Governor Ferguson:

Washington State is a leader in clean energy; yet today we face historic challenges to securing our energy future. To support the growing demand for electrification and large load energy users, we must take action to rapidly build transmission and generate new renewable energy. Without a coordinated state effort, we face a future of unreliable electricity, higher energy costs, and climate impacts to our people and environment.

The work of the Interagency Clean Energy Siting Coordinating Council is good government in action, taking a thoughtful and informed look at what will change the trajectory of clean energy in our state through a collaborative, government-wide lens. We are moving forward through interagency cooperation and leveraging our resources to assist solar and wind projects at risk of losing federal tax credits. Agencies have already taken steps to support project applicants through the siting and permitting processes and are looking ahead to what more can be done.

At the same time, federal policies targeting clean energy technologies put our energy resilience at risk. Alongside these changes, the state's budget shortage requires us to be thoughtful in how we prioritize our efforts. How we as a state respond in this moment is just as important as where and what is built to meet the need.

Washington is a hub for technological innovation, using clean energy development as a catalyst for creating well-paying jobs and economic development. The *Washington Way* compels us to consider how our actions impact the environment, communities, and Tribes and to protect our natural resources. We can rise to the energy challenge while protecting the resources and values we hold.

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The recommendations in this report will improve clean energy siting and permitting. These actions address transmission capacity limitations, support local government response to clean energy development, and provide communities and Tribes with the resources they need to engage with projects. Many of the recommendations in this report will need legislative direction or funding to enact.

Our agencies are ready to meet this challenge with purpose, resolve, and a commitment to upholding our state's values.

We look forward to partnering with you in this important moment of action.

Sincerely,

Casey D. Sixkiller, Director

Washington State Department of Ecology

Joe Nguyen, Director

Washington State Department of Commerce







Improving Clean Energy Project Siting and Permitting

Chapter 43.394 Revised Code of Washington

Acknowledgments

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Council members:

Department of Archaeology and Historic Preservation

Department of Natural Resources

Energy Facility Site Evaluation Council

Environmental Justice Council

Governor's Office

Governor's Office of Indian Affairs

Governor's Office for Regulatory Innovation and Assistance

Utilities and Transportation Commission

Washington Department of Fish and Wildlife

Washington State Department of Agriculture

Washington State Department of Transportation

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https://apps.ecology.wa.gov/publications/Summar yPages/2506011.html

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Executive summary

The Interagency Clean Energy Siting Coordinating Council (Council) prepared this annual report for the Washington Legislature. It contains updates on state and federal actions and recommendations to improve clean energy siting and permitting in Washington. State law, Chapter 43.394 Revised Code of Washington, established the 13-member council representing state agencies, councils, offices, and commissions to support the clean energy transition in Washington and coordinate efficiently between agencies. This includes advancing clean energy development while protecting communities and the environment and addressing the critical need for increased transmission capacity to support the growth of clean energy. The 2021 State Energy Strategy² projected Washington's electricity needs would double by 2050 to achieve state greenhouse gas emissions limits and clean energy requirements. Additional growth due to an increase of data processing centers and new uses of electricity in industry will likely increase the amount of electricity required to power the state.

The 2025 annual report is the Council's second document to state lawmakers and the Governor's office. The <u>first report</u>³ from October 2024 is available on the <u>Council's webpage</u>.⁴ The Council continues to support the recommendations in that report.

2024-2025 actions and accomplishments

Legislative and agency actions utilized many of the Council's recommendations to further develop clean energy policies and implement improvements. A report with <u>ideas for consolidating clean energy applications and permits</u> and <u>non-project environmental impact statements</u> for utility-scale solar, onshore wind, and green hydrogen facilities were finalized. A study on <u>rural clean energy economics and community engagement</u> identified opportunities and barriers for clean energy development and this was followed by additional exploration of best practices for establishing community benefit agreements.

The state continued to provide needed funding for agencies and grants for local governments, Tribes, and communities to conduct planning, siting, environmental reviews, and permitting to support the shift to clean energy. This included support for a Tribally-led project managed by the Affiliated Tribes of Northwest Indians to identify areas that can be prioritized for clean energy development and areas that may conflict with Tribal interests and values.

To support emerging technologies, workgroups issued reports on nuclear fusion and alternative jet fuel. A collaborative process was launched to identify opportunities and risks of geothermal energy and an environmental justice toolkit for hydrogen projects was released. Agencies also

¹ https://app.leg.wa.gov/RCW/default.aspx?cite=43.394&full=true

² https://deptofcommerce.app.box.com/s/t4qd4zhozhb5kmp0rz5yb4c5h248e67e

³https://fortress.wa.gov/ecy/ezshare/SEA/Clean%20Energy%20Coordination/CommerceReports_2024_Energy_CleanEnergySitingCouncil_FINAL.pdf

⁴ https://ecology.wa.gov/regulations-permits/sepa/clean-energy/council

⁵ https://apps.ecology.wa.gov/publications/SummaryPages/2406010.html

⁶ https://ecology.wa.gov/regulations-permits/sepa/clean-energy/programmatic-eis

⁷ https://deptofcommerce.app.box.com/s/j8g02vl2lmxf1oq1dd2opceex7q7gmro

continued to coordinate on safety issues and best practices for siting and managing battery energy storage systems.

Many other additional individual agency actions are summarized in the report and demonstrate our shared goal of promoting the efficient, effective, and responsible siting and permitting of clean energy projects.

2025 recommendations

For the 2025 report, the Council developed additional recommendations that further advance the state's energy policies. They are focused on current or expected clean energy technologies, and process and policy actions that promote coordination across multiple agencies.

Recent changes at the federal level, as well as state and federal funding constraints, will affect clean energy development in Washington state. Given the urgency of siting and permitting clean energy to comply with state law and meet rising state electricity demand, the Council sought to provide meaningful recommendations and government efficiencies that could be implemented within these restraints. We believe these actions will improve siting and permitting of clean energy and help meet our goals for a clean energy transition.

Address transmission capacity limitations

- Establish a state entity to develop and finance transmission projects
- Develop transmission siting and permitting tools
- Improve the capacity and efficiency of existing transmission infrastructure

Support clean energy development

- Support clean energy development that does not require transmission connections
- Incentivize existing energy infrastructure upgrades
- Promote Tribal clean energy projects

Improve permitting through meaningful engagement and planning

- Provide long-term funding for Tribal project review
- Engage with Tribes on categorical exemptions under the State Environmental Policy Act
- Support local governments in clean energy planning
- Assess lands available for energy development

Support community engagement

Develop community engagement tools

Address emerging technologies

- Support local government response to emerging technologies
- Identify and resolve obstacles to developing geothermal energy resources

Washington state has been a leader in clean energy for many years and we believe the recommendations in our reports continue us on a path that improves our economy and protects our people and environment.

Introduction

Legislative mandate

The Interagency Clean Energy Siting Coordinating Council (Council) was established by the 2023 Washington State Legislature to help make siting and permitting clean energy projects more efficient and effective. RCW 43.394.020(2)⁸ directs the Council to provide an annual report:

(2) The coordinating council shall provide an annual report beginning October 1, 2024, to the governor and appropriate committees of the legislature summarizing: Progress on efficient, effective, and responsible siting and permitting of clean energy projects; areas of additional work, including where clean energy project siting and permitting outcomes are not broadly recognized as efficient, effective, or responsible; resource needs; recommendations for future nonproject environmental impact statements for categories of clean energy projects; and any needed policy changes to help achieve the deployment of clean energy necessary to meet the state's statutory greenhouse gas emissions limits, chapter 70A.45 RCW, and the clean energy transformation act requirements, chapter 19.405 RCW, and to support achieving the state energy strategy adopted by the department of commerce.

The 2025 annual report is the Council's second document to state lawmakers and the Governor's office. The <u>first report</u>¹¹ from October 2024 is available on the <u>Council's webpage</u>. ¹²

Council background

Council members represent 13 state agencies, offices, councils, and commissions (see **Appendix B: Siting Council Members** for more details). The departments of Ecology (Ecology) and Commerce (Commerce) co-lead the Council. Other Council members include the departments of Archaeology and Historic Preservation (DAHP), Natural Resources (DNR), Fish and Wildlife (WDFW), Agriculture (WSDA), and Transportation (WSDOT). Councils and commissions include the Energy Facility Site Evaluation Council (EFSEC); Environmental Justice Council (EJ Council); and Utilities and Transportation Commission (UTC). The Governor's Office, Office of Indian Affairs (GOIA), and Office for Regulatory Innovation and Assistance (ORIA) are also members.

The Council coordinates interagency information sharing and supports independent state agency work to improve clean energy siting and permitting. The Council identifies actions to improve siting and permitting processes for clean energy projects. It also tracks federal government efforts to improve clean energy project siting and permitting. Council responsibilities include conducting outreach to interested parties and supporting independent

⁸ https://app.leg.wa.gov/RCW/default.aspx?cite=43.394.020

⁹ https://app.leg.wa.gov/rcw/default.aspx?cite=70A.45

¹⁰ https://app.leg.wa.gov/rcw/default.aspx?cite=19.405

¹¹https://fortress.wa.gov/ecy/ezshare/SEA/Clean%20Energy%20Coordination/CommerceReports_2024_Energy_CleanEnergySitingCouncil_FINAL.pdf

¹² https://ecology.wa.gov/regulations-permits/sepa/clean-energy/council

state agency work. The Council's shared goals include support for an equitable clean energy transition and improving engagement and coordination between agencies, developers, Tribes, local governments, and communities. The Council meets monthly and discusses topics based on current agency work and trends. Meetings include presentations, agency updates, and discussions about clean energy and electrical transmission topics. Meeting agendas and notes are available on the <u>Council's webpage</u>. ¹³ The Council also engages interested parties and Tribes throughout the year to seek input regarding its recommendations.

Summary of Washington's energy, legislative, and policy context

Washington's energy and climate policies, as well as its growing economy and population, require significant additional investments in clean energy resources, including electric generation, storage, and transmission assets. The state's energy system also requires greater investments to improve the efficiency of energy-using devices and increase the flexibility of electric loads during peak periods. The recent loss of federal funding, staffing and policy support for some clean energy technologies creates added urgency for these investments.

Growing demand for electricity

According to a 2023 analysis conducted by the Clean Energy Transition Institute, ¹⁴ electricity demand in Washington will grow by approximately 29 gigawatts by 2050 to achieve net zero regional emissions, replace fossil fuels, and meet growing energy demands. The analysis found supplying this power could involve generating approximately 22 gigawatts of clean electricity in state and importing approximately another 7 gigawatts of electricity from out-of-state sources. 15 Transmission capacity is a key constraint in this growth because utility-scale clean energy sources are not necessarily located near population centers. This means electricity must often be moved over large distances. 16 Since many transmission lines are constrained, getting this additional electricity from its generating source to consumption points will require significant increases in both in-state and interstate electrical transmission capacity in a short period of time. 17 The Western Power Pool and Bonneville Power Administration are leading a West-wide effort to develop a 10-year plan for expanding transmission. 18 This plan is expected to provide a clearer picture of what will be required to support state policies, but these plans alone do not address the pressing need to site and build transmission facilities. In the past, large transmission line projects have taken 10 to 20 years to complete siting, permitting, and construction.

¹³ https://ecology.wa.gov/regulations-permits/sepa/clean-energy/council

¹⁴ Clean Energy Transition Institute, 2023. Net-Zero Northwest: Technical and Economic Pathways to 2050. Available at: https://www.nznw.org/energy.

¹⁵ 2023 Clean Energy Transition Institute.

Washington Energy Facility Site Evaluation Council, 2022. Transmission Corridors Work Group Final Report.
 Available at: https://efsec.wa.gov/sites/default/files/2025-05/Final_TCWG_Report%20_2022_0801.pdf
 2022 Transmission Corridors Workgroup Final Report.

¹⁸ Western Power Pool. Western Transmission Expansion Coalition. Information available at: https://www.westernpowerpool.org/about/programs/western-transmission-expansion-coalition

Washington's energy picture is made more complex by the projected rapid growth of large electricity users, such as data processing and artificial intelligence computing. New data centers, as well as computer chip manufacturing, in the Pacific Northwest could require 2.2-4.8 average gigawatts of additional electricity by 2030, according to the Northwest Power and Conservation Council. These potential loads are not just large but also highly uncertain, since they depend on decisions of firms that operate globally in a rapidly changing business sector. In February 2025, Gov. Ferguson issued Executive Order 25-05 creating a workgroup to study the potential impacts of data centers and develop recommendations to "balance industry growth, tax revenue needs, energy constraints, and sustainability."²⁰

While forecasts and plans anticipate a rapid increase in electricity demand over the next five to 10 years, Washington is not yet experiencing these increases. According to the Energy Information Administration, overall electricity consumption in the U.S. has increased about 5% since 2019, but Washington is one of 17 states where electricity consumption in the most recent 12 months is lower than 2019 consumption levels. In Washington, growth in residential and commercial demand has been offset by reductions in industrial demand.²¹

The adequacy of electric resources to serve Washington remains a high priority for electric power utilities and state policy makers. Variability in weather conditions due to climate change leads to greater risk of outages during extreme hot or cold events. Recent assessment of resource adequacy indicates supplies are sufficient to maintain reliability within industry standards. However, a key risk in this assessment is whether the electric power industry will build new generating resources on the scale and within timelines currently planned. If additional resources fall short of these plans, the risk of outages is significant.²²

Accelerating clean energy generation

During the six years between 2019 and 2024, 10 new utility-scale clean energy projects were developed and became operational in the state, totaling 823 megawatts of operational nameplate capacity (340.5 megawatts of solar and 280 megawatts of onshore wind). Another nine projects were in the permitting or construction stage during this period, totaling 4,036 megawatts of additional capacity once operational.²³ If all 19 projects are built, Washington will add 4.8 gigawatts of generation. To meet the state's projected 2050 electricity needs, Washington will still require an additional 24.2 gigawatts of generating capacity, which could be located in-state or transmitted from out-of-state. A 2024 report by the Lawrence Berkeley

¹⁹ Northwest Power Conservation Council, 2025. 9th Power Plan Demand Forecast. April 2025, p. 31. Available at: https://www.nwcouncil.org/fs/19380/2025_0429_2.pdf

²⁰ https://dor.wa.gov/sites/default/files/2025-03/DataCenterWorkgroup_ExecOrder.pdf

²¹ U.S. Energy Information Administration, Electricity Data Browser,

https://www.eia.gov/electricity/data/browser/#/topic/5?agg=0,1&geo=g0000000001&endsec=vg&freq=M&start=2 00101&end=202505&ctype=linechart<ype=pin&rtype=s&pin=&rse=0&maptype=0. Accessed Aug. 5, 2025.

22 Western Electricity Coordinating Council, 2024. Western Assessment of Resource Adequacy 2024. Available at:

https://feature.wecc.org/wara/

²³ Commerce, 2024. Rural Clean Energy Economics and Community Engagement Study and Report. Available at: https://deptofcommerce.app.box.com/s/j8g02vl2lmxf1oq1dd2opceex7q7gmro.

National Laboratory found there were 74 gigawatts of clean energy generation proposed and waiting on transmission interconnection approval in Washington.²⁴

Although the state needs to accelerate clean energy development, federal policy, staffing, and funding changes will likely slow the development of clean energy and transmission. Washington is actively exploring ways to respond to federal changes and support development, while continuing to protect the environment, overburdened communities, and Tribal rights, interests, and resources. Additional information about federal activities and funding are discussed in the next section of this report.

State funding considerations

The state of Washington is facing historic budget shortfalls. The costs to maintain current services and program levels for the next four years have risen approximately \$12.6 billion due to inflation, higher projected caseloads in social safety net programs, the expansion of popular programs like early learning, and workforce costs. Revenues have dipped lower than forecasted due to lagging home sales and collections for sales and capital gains taxes. A \$16 billion state budget deficit made funding new initiatives difficult during the 2025 legislative session. Additionally, billions in state funding—including over \$1.1 billion in federal funding for Washington clean energy projects—have been jeopardized or rescinded by the federal government.

At the time of this report, a freeze on non-essential spending and hiring is in effect for agencies under the direction of the governor. Agencies are also continuing to identify additional ways to reduce spending.

When developing its recommendations, the Council considered funding and staffing needs to implement the actions. Given the urgency of siting and permitting clean energy to comply with state law and meet rising state electricity demand, the Council sought to provide meaningful recommendations and government efficiencies that could be implemented within the federal and state fiscal restraints.

Federal activities and funding

State law, Chapter 43.394 RCW, directs the Council to track federal government efforts to improve clean energy project siting and permitting, including potential federal funding sources, and to identify state agency actions to improve coordination across state, local, and federal processes or to pursue supportive funding.

Since January 2025, the federal government has made substantial changes to its policies, funding, and staff related to clean energy. These changes are expected to limit the development of certain types of clean energy, such as solar, onshore wind, and offshore wind. The removal of climate change and environmental justice data and staffing reductions at federal agencies has

²⁴ https://emp.lbl.gov/queues

²⁵ https://ofm.wa.gov/budget/budget-reductions

adversely impacted state agencies relying on this data and expertise for making siting and permitting decisions. Some clean energy technologies continue to receive federal investment and support, including energy storage, nuclear, and geothermal energy.

Transmission continues to be the most critical limiting factor for clean energy development in Washington. The federal Bonneville Power Administration (BPA) manages more than 75% of the transmission in Washington. Capacity enhancements and expansion are limited by funding and have resulted in delays, often measured in years, for interconnection to BPA transmission lines. There are many proposed clean energy projects in the state, but without the ability to connect to the electrical grid, they cannot move forward. To better accommodate increased volume in the transmission queue, BPA has initiated a Grid Access Transformation process to gather feedback from regional entities and reform its interconnection queue review process. BPA has paused most transmission planning efforts to focus on this process.

The federal budget bill²⁷ signed into law on July 4, 2025, makes significant changes to tax credits once available for renewable energy and energy storage projects, reflecting federal efforts to slow or stop development of some clean energy types and promote use of fossil fuels. The law scales back or rescinds several renewable energy provisions in the federal Inflation Reduction Act approved by Congress. Solar and wind projects placed in service after December 2027 will not receive clean electricity investment credits or production credits. Credits for wind turbine components will end in 2028. Facility components, such as batteries or solar panels, involving a prohibited foreign entity are ineligible for some tax credits after 2025. Clean hydrogen facilities constructed after December 2027 will no longer be eligible for the clean hydrogen production credit. Credits for clean fuels and sustainable aviation fuels were reduced and have new eligibility requirements. The act rescinds unobligated federal funds for transmission facility financing, grants to facilitate siting interstate electricity transmission lines. and interregional and offshore wind electricity transmission planning. President Donald Trump's Executive Order 14315, entitled "Ending Market Distorting Subsidies for Unreliable, Foreign-Controlled Energy Sources,"28 strengthens the repeal and modification of wind, solar, and other green energy tax credits.

The National Environmental Policy Act (NEPA) requires federal agencies to assess the environmental impacts of certain proposed actions before making decisions. The President's Council on Environmental Quality (CEQ) issued a <u>rule</u>²⁹ effective April 11, 2025, that rescinds the CEQ's implementing regulations and directs federal agencies to revise their NEPA regulations or guidance, and expedite and simplify the environmental review process. The NEPA changes are intended to address the lengthy delays that are common for projects subject to federal reviews; however, other federal actions appear aimed at directly stopping development of clean energy resources. Federal impact analyses will likely be challenged in court and could add to project timelines. In addition, the changes reduce the time for adequate government-to-government

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²⁶ https://www.bpa.gov/energy-and-services/transmission/grid-access-transformation-project

²⁷ https://www.congress.gov/bill/119th-congress/house-bill/1

²⁸ https://www.whitehouse.gov/presidential-actions/2025/07/ending-market-distorting-subsidies-for-unreliable-foreign%E2%80%91controlled-energy-sources/

²⁹ https://ceq.doe.gov/laws-regulations/regulations.html

consultation with Tribes and inadequate analysis at the federal level could require more work at the state and local level to meet Washington's <u>State Environmental Policy Act</u>³⁰ (SEPA) requirements. Moreover, the federal changes are so drastic that they greatly reduce the opportunity to use a common assessment of impacts to meet both NEPA and state SEPA requirements.

The Presidential Memorandum, entitled "Temporary Withdrawal of All Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind Projects," prevents consideration of any area in the outer continental shelf for new or renewed wind energy leasing to generate electricity or other such use derived from wind energy. It directs all relevant members of the executive branch not to issue or renew approvals, rights of way, permits, leases, or loans for onshore and offshore wind projects. The U.S. Department of Interior (DOI) issued Secretarial Order 3417 entitled "Addressing the National Energy Emergency," and Secretarial Order 3418 entitled "Unleashing American Energy." These require all decisions, actions, consultations, and other undertakings related to wind and solar energy facilities go through DOI. The federal agency also issued a Secretarial Order or offshore wind energy.

In February 2025, the U.S. Army Corps of Engineers <u>temporarily paused</u>³⁵ permitting for wetland impacts for renewable energy projects located on private land. The <u>pause is still in place for onshore wind</u>. Some federal agencies have declined to provide documentation or feedback for renewable energy projects, even on private land. Without this documentation, local and state jurisdictions may not be able to issue permits or approvals to begin construction.

Several states' attorneys general, including Washington, have filed lawsuits challenging many of these federal actions. Federal permitting uncertainty increases risk for clean energy developers.

³⁰ https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review

³¹ https://www.whitehouse.gov/presidential-actions/2025/01/temporary-withdrawal-of-all-areas-on-the-outer-continental-shelf-from-offshore-wind-leasing-and-review-of-the-federal-governments-leasing-and-permitting-practices-for-wind-projects/

³² https://www.doi.gov/document-library/secretary-order/so-3417-addressing-national-energy-emergency

³³ https://www.doi.gov/document-library/secretary-order/so-3418-unleashing-american-energy

³⁴ https://www.doi.gov/document-library/secretary-order/3415-temporary-suspension-delegated-authority

³⁵ https://heatmap.news/sparks/army-corps-of-engineers-permitting-pause

 $^{^{36}\} https://news.bloomberglaw.com/environment-and-energy/new-wind-farms-singled-out-in-army-corps-water-permitting-pause$

Improvements in siting and permitting clean energy projects

Overview of activities and accomplishments

Since the last legislative report, the Council advised agencies on multiple activities to advance more efficient and effective siting and permitting of clean energy facilities. This overview provides an update on the completed activities as of October 1, 2025 (refer to **Appendix C: Status of Tasks Identified in House Bill 1216** for a complete list of tasks). Ongoing activities include providing the Council's annual report, identifying actions to improve siting and permitting, and tracking federal efforts.

Ecology explored and reported on <u>ideas for consolidated clean energy applications and permits</u>³⁷ and finalized <u>non-project environmental impact statements</u>³⁸ in June 2025. Ecology developed an implementation toolkit to begin using the statewide planning documents for utility-scale solar, utility-scale onshore wind, and green hydrogen production and storage projects. These reports and tools provide consistency and transparency for developers, local governments, Tribes, and the public.

Commerce developed a program for clean energy projects of statewide significance that elevates the status of significant clean energy projects by providing recognition and increased visibility. Commerce also produced a <u>Rural Clean Energy Economics and Community Engagement Study and Report</u>.³⁹

DAHP updated the statewide <u>archaeological risk assessment</u>. ⁴⁰ GOIA is developing a list of clean energy project contacts for federally recognized Indian Tribes and developed a training for clean energy project developers regarding the consultation and engagement processes for federally recognized Indian Tribes.

The Council also advised Washington State University in a process to identify issues and interests related to <u>siting pumped hydropower storage projects</u>. 41

Update on the Council's 2024 recommendations

State agencies and the Legislature made substantial efforts to advance recommendations in the Council's 2024 annual report. Recommendations that are implemented, in progress, or funded include:

³⁷ https://apps.ecology.wa.gov/publications/SummaryPages/2406010.html

³⁸ https://ecology.wa.gov/regulations-permits/sepa/clean-energy/programmatic-eis

³⁹ https://deptofcommerce.app.box.com/s/j8g02vl2lmxf1oq1dd2opceex7q7qmro

⁴⁰ https://dahp.wa.gov/project-review/wisaard-washington-information-system-for-architectural-and-archaeological-records-data

⁴¹ https://www.energy.wsu.edu/CleanFuelsAltEnergy/PSHSiting.aspx

- Continue state funding for agencies, Tribes, local governments, and communities.
 During the 2025 legislative session, the Legislature continued to provide funding for state agencies, Tribes, local governments, and communities to conduct planning, siting, environmental reviews, and permitting to support the shift to clean energy. In addition, the Legislature provided \$5 million in grants to support Tribes, counties, cities, and other municipal entities to help them site and permit clean energy projects. Ecology awarded \$21 million to 28 Tribes for the 2025-27 biennium to improve capacity to participate in clean energy planning and projects.
- Develop community benefit agreement tools. Commerce conducted an initial internal
 assessment to identify opportunities, barriers, and best practices for establishing
 community benefit agreements. The assessment included convening virtual meetings
 with Tribes and interested parties. As resources allow, Commerce will continue
 developing best practices for Tribal and community benefit agreements.
- Support local governments on battery energy storage systems. Commerce, Ecology, and the State Fire Marshall's Office within the Washington State Patrol continued coordinating on battery technology and battery energy storage systems. The Electric Vehicle Battery work group completed an <u>Electric Vehicle Fire Study</u>⁴² in December 2024. Commerce is working with the State Fire Marshall's Office and others to assess safety issues and develop best practices for siting and managing battery energy storage systems.
- Support workforce development. As directed by the Legislature, Commerce convened a
 labor and industry-led workgroup and initiated a study to assess Washington's electrical
 transmission workforce and training needs. The report, due in late 2025, will provide
 recommendations to recruit, train, and retain a skilled and diverse workforce, identify
 barriers to entry, and propose strategies to support underrepresented groups, including
 Tribal members and individuals from overburdened communities.
- Improve engagement and consultation with Tribes. Agencies continue to improve processes to support engagement with Tribes and offer government-to-government consultation. The Council developed a Tribal engagement plan for sharing information on Council activities and adding opportunities for participation.
- Support Tribes in identifying priorities through Tribally-led, equitable, proactive, and
 collaborative process. During its 2025 session, the Legislature provided funding to
 support a Tribally-led project to identify areas that can be prioritized for clean energy
 development and areas that may conflict with Tribal interests and values. Commerce is
 a partner in this project and is also working with Tribes to promote increased use of
 Tribal benefit agreements when Tribes are potentially affected by clean energy projects.
- Promote pre-application discussions. Agencies advocated for early pre-application
 discussions with developers, local governments, communities, and Tribes. Ecology
 developed an early planning process for clean energy projects that connects developers
 with agency experts for early issue identification and permit discussions. EFSEC is
 developing a pre-application toolkit for developers.

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⁴² https://www.wsafm.com/news/13441911

• Continue development of mitigation guidance. Ecology's programmatic environmental impact statements for solar, onshore wind, and green hydrogen projects identify actions to avoid and reduce impacts, including mitigation for significant impacts. WDFW developed mitigation guidance for solar and wind projects. EFSEC finalized its programmatic environmental impact statements for high-voltage transmission facilities by the end of 2025. These planning and guidance documents help developers and state and local governments during project review.

Recommendations considered or proposed during the 2025 legislative session, but not enacted include:

- Develop a statewide dashboard for clean energy development. A dashboard would help track progress on clean energy development and provide resources like comprehensive mapping. Funding development and ongoing maintenance of the dashboard would support development of clean energy preferred zones or a build-ready clean energy program. Commerce proposed the dashboard in agency request legislation. Commerce also submitted a related proposal to the U.S. Department of Defense to complete a Compatible Energy Siting Assessment and mapping tool that would include a statewide energy map and dashboard. A funding decision by the Defense Department is pending.
- Develop tax policy for clean energy facilities. State lawmakers considered a bill which
 addressed municipal concerns related to depreciation of clean energy facilities
 categorized as personal property (e.g., solar panels and wind turbines) and impacts to
 tax revenues for jurisdictions hosting clean energy facilities. This depreciation typically
 results in local taxpayers paying higher property taxes over time to account for declining
 payments from energy facilities. Results from a study on agrivoltaic feasibility in
 Washington⁴³ completed in July 2025 provides insight on future research and
 development needs.
- Support agrivoltaics and dual-use research and development. Agrivoltaics and dual-use refers to facilities where agriculture would occur during facility operations and may include raising or modifying solar panels to allow for agricultural land use. Commerce proposed agency request legislation to support deployment of agrivoltaics, dual-use solar, and other clean energy technologies through investments in research and development, pilot projects, and integration into local planning and zoning. Results from a study on agrivoltaic feasibility in Washington⁴⁴ completed in July 2025 provides insight on future research and development needs.
- **Explore conflict resolution tools.** Commerce proposed this measure in agency request legislation.
- Designate Clean Energy Preferred Zones. The Council will evaluate this idea using Ecology's finalized programmatic environmental impact statements and, when completed, the Tribally-led project to identify areas that can be prioritized for clean energy development.

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⁴⁴ https://www.nature.org/en-us/about-us/where-we-work/united-states/washington/stories-in-washington/washington-agrivoltaics/

- Assess the feasibility of a Build-Ready Clean Energy Program. Commerce proposed this measure in agency request legislation.
- Integrate clean energy development into local government planning and zoning. Commerce proposed this action in agency request legislation.

Additional agency clean energy activities and accomplishments

The following activities and accomplishments are in addition to those described above.

Joint agency actions

- Launching a Geothermal Energy Collaborative Process (Senate Bill 6039; Chapter 350, Laws of 2024),⁴⁵ led by Ecology with support from DNR, Commerce, WDFW, and EFSEC. Ecology held community and Tribal listening sessions in August 2025. In-person and virtual workshops are planned later this year and early 2026, with a report to the Legislature by June 2026.
- Established the Fusion Energy Work Group (House Bill 1924; Chapter 346, Laws of 2024)⁴⁶ led by EFSEC and state Department of Health. In December 2024, the state departments of Commerce, Ecology, Labor & Industries, and Washington Military Department submitted an initial joint report to the Legislature. 47 During the 2025 session, the Legislature added fusion energy to the list of facilities that may obtain site certification from EFSEC and distinguished fission and fusion energy in Chapter 80.50 RCW.
- Environmental Justice Toolkit for Hydrogen Project Developers. 48 Commerce, with support from state and local agencies, Tribes, industry, and interested parties, developed best practices for engagement with Tribes and communities. The toolkit is a voluntary resource for developers intended to strengthen collaboration, improve transparency, and help ensure hydrogen development contributes to better clean energy equity and environmental justice in Washington. The toolkit may be useful for project developers conducting community and Tribal engagement during the environmental review process.
- Washington's Alternative Jet Fuel Work Group (RCW 28B.30.646). 49 convened by Washington State University, released a legislative report⁵⁰ in December 2024 with updates and recommendations. The work group will also provide reports and policy recommendations to the Legislature in 2026 and 2028. The group includes state and local agencies, industry, ports, organizations, national laboratories, and elected officials.

⁴⁵ https://lawfilesext.leg.wa.gov/biennium/2023-24/Pdf/Bills/Session%20Laws/Senate/6039-S.sl.pdf

⁴⁶ https://lawfilesext.leg.wa.gov/biennium/2023-24/Pdf/Bills/Session%20Laws/House/1924-S.sl.pdf

⁴⁷ https://app.leq.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Legislative%20Report%20-%20Fusion%20Technology_eed70d49-b061-43f3-bc7f-a3cab9d55c37.pdf

⁴⁸ https://deptofcommerce.app.box.com/s/avgyh7yfdx7r7mk2x1tgxd56b79iafsm

⁴⁹ https://app.leg.wa.gov/rcw/default.aspx?cite=28B.30.646

⁵⁰ https://rex.libraries.wsu.edu/esploro/outputs/report/Sustainable-Aviation-Fuel-Updates-and-Recommendations/99901172041401842

Individual agency actions

Ecology

Finalized three programmatic environmental impact statements

- Green electrolytic or renewable hydrogen facilities
- Utility-scale solar energy facilities
- Utility-scale onshore wind energy facilities

These statewide studies identify the potential significant impacts for these types of facilities and measures to avoid, reduce, and mitigate impacts. Clean energy developers and local governments will use these reports to reduce the overall timeline for environmental reviews of individual clean energy projects. Ecology worked with industry and local governments and developed mapping tools, training, and guidance.

Started developing programmatic environmental review for alternative jet fuel (sustainable aviation fuel)

Ecology started developing a programmatic environmental impact statement for sustainable aviation fuel production pathways, including blending and distribution infrastructure. The process includes engagement with industry, Tribes, and interested parties and outreach to the public to provide information and documents for review and comment. Scoping is planned for fall 2025 and the study will be completed by June 30, 2027.

Clean energy project early planning and permit assistance

Multiple clean energy developers have reached out to Ecology experts to learn about permit processes and discuss projects during the early planning phase. Ecology is implementing a new early planning process that consolidates agency feedback on clean energy project proposals and promotes early communication and coordination with developers. Ecology experts are involved in environmental reviews and permitting processes for multiple clean energy projects.

Climate Commitment Act Tribal climate capacity grants

Ecology awarded \$21 million to 22 Tribes for the 2023-25 biennium and \$21 million to 28 Tribes for the 2025-27 biennium. The grants provide support for federally recognized Indian Tribes with lands and territories within Washington to engage in a range of climate-related activities, including clean energy planning and project reviews.

Commerce

Clean Energy Projects of Statewide Significance

Commerce developed a program and application for clean energy projects of statewide significance which elevates the status of significant clean energy projects by providing recognition and increased visibility.

Rural Clean Energy Economics and Community Engagement Study and Report

Published in November 2024, <u>this report</u>⁵¹ addresses issues and concerns across rural Washington regarding clean energy development. It includes an analysis of the economic and financial impacts of utility-scale clean energy projects in rural communities and recommendations designed to reduce concerns about development of clean energy resources.

Clean Energy Siting and Permitting Grant Program

For the 2025-27 biennium the Legislature provides \$5 million to Commerce for grants to support siting and permitting clean energy projects in Washington. Eligible recipients include Tribes, local governments, ports, and other entities. The grants provide funds for planning, supporting pre-development work for sites intended for clean energy projects, land-use studies, staff to improve permit timeliness and certainty, and other related activities.

Clean Energy Grants

Commerce will continue to support a variety of types and scale of clean energy projects through its longstanding grant programs. This includes the Clean Energy Fund, which supports the development, demonstration, and deployment of clean energy technologies. For the 2025-2027 biennium, the Legislature provides \$26 million for competitive grants for predevelopment, design, and construction of clean energy projects. Tribes are leading on clean energy innovation, and the Clean Energy Fund includes an additional \$5 million for Tribes to implement clean energy development projects. An additional \$20 million is available for solar and storage projects and \$10 million for clean energy community grants.

Increasing transmission capacity

The Legislature provides \$300,000 for Commerce to initiate efforts to enhance transmission capacity in the state. The 2025-2027 biennium funding directed Commerce to provide assistance to local and Tribal governments for permitting of electric transmission projects; provide technical assistance to transmission operators for increasing and enhancing transmission capacity with reconductoring and other advanced transmission technologies; and identify finance mechanisms to improve capacity to develop electric transmission in the state.

Engaging overburdened communities on siting

For the 2025-27 biennium, the Legislature provides \$2,000,000 to Commerce to engage with a Tribal collaborative to identify low-conflict areas for siting renewable energy generation and transmission facilities. The effort must consider Tribal renewable energy and transmission needs, Tribal sovereignty and rights, sensitive natural areas and working lands, and the goal to minimize harm while maximizing benefits to Tribal communities. An additional \$500,000 in funding is provided to create a framework and process to support early and ongoing overburdened community input for planning and developing transmission corridors. The effort seeks to identify ways overburdened communities can benefit from transmission corridor development as well as ways to reduce and avoid conflict with them in the development of transmission corridors.

⁵¹ https://deptofcommerce.app.box.com/s/j8g02vl2lmxf1oq1dd2opceex7q7gmro

Energy Facility Site Evaluation Council

Established EFSEC as an independent state agency

EFSEC continued to establish itself as an independent state agency, including updating its rules to reflect statutory changes made when EFSEC became an independent state agency in 2022 and regulatory requirements. EFSEC launched a redesigned website and brand to improve the user experience and make access to the EFSEC process easier to navigate.

Held listening session with Tribes

EFSEC held a listening session for all federally recognized Indian Tribes in Washington and those with ceded territories in the state. Many Tribes attended and the discussion provided guidance regarding the steps EFSEC can take to improve its communication, outreach, and engagement with Tribes in the coming years.

Developed programmatic environmental impact statement for high-voltage electrical transmission facilities

As directed by state law (RCW 43.21C.405),⁵² EFSEC developed a programmatic environmental impact statement for high-voltage electrical transmission facilities (with a nominal voltage of 230 kilovolt or greater) which analyzes potential direct, indirect, and cumulative impacts of building, operating, maintaining, upgrading, and modifying transmission facilities in Washington. EFSEC published the draft report in March 2025. After receiving public comments, EFSEC published the final environmental study⁵³ in October 2025.

Department of Archeological and Historic Preservation

Updated archaeological risk assessment

DAHP updated its risk assessment model with additional archaeological data to improve its effectiveness.

Conducted archaeological surveys on DNR land, in consultation with the affected Tribes, to identify areas of least conflict for cultural resources

During the 2023-25 biennium, DAHP completed surveys on state-owned lands. Funded by the state Climate Commitment Act, the surveys recorded 266 cultural sites. Work was conducted jointly with the Confederated Tribes of the Colville Reservation and the Confederated Tribes and Bands of the Yakama Nation. Meetings to promote early and regular discussions are continuing between energy developers, state agencies, and Tribal representatives regarding the areas covered by the survey work. The project is planned to continue through the current biennium, which will identify larger scopes of culturally sensitive areas and mark areas Tribes have identified as "go" and "no-go" areas before undertaking ground surveys.

⁵² https://app.leg.wa.gov/RCW/default.aspx?cite=43.21C.405

⁵³ https://efsec.wa.gov/transmission-programmatic-environmental-impact-statement-peis

Department of Natural Resources

Implemented business strategy emphasizing exploratory clean energy land-use licenses.

Granting clean energy land-use licenses provides companies with access to state lands on a non-exclusive basis, giving them the ability to conduct surveys and tests required for state and federal environmental reviews of proposed clean energy projects. DNR assists developers with these permitting "building blocks" to build trust with potential future lessees and increase the probability that properly vetted projects are ultimately successful.

Changed the order of operations associated with firm clean energy leases on state lands DNR implemented changes so new clean energy leases are only signed after state and federal environmental reviews are conducted and permits issued. Granting leased access and use of state lands after related regulatory permitting is completed has reduced conflicts of interest that otherwise could expose involved parties to legal risk and permitting delays.

Diversifying the agency's clean energy portfolio

DNR is diversifying the agency's clean energy portfolio to include smaller scale distributed energy projects, based on funding availability. These types of projects could be located on DNR facilities and reduce impacts on Tribes and rural communities.

Ensuring consistency with public lands rights-of-way

DNR reviews proposals to site facility and transmission projects to ensure consistency with statutory requirements and constraints, including the presence of Habitat Conservation Plans, natural heritage designations, and responsibilities to trust beneficiaries. Early coordination on requirements reduces the potential for conflicts during environmental review and permitting.

Environmental Justice Council

Developed and advocated for budget recommendations to promote clean energy

The EJ Council is responsible for making budget recommendations regarding how revenue generated by the state Climate Commitment Act is spent. Budget recommendations to the governor and Legislature included funding for Commerce to work together with Tribes in Washington and overburdened communities to identify low-conflict clean energy siting areas for transmission corridors and Commerce's Clean Energy Community Grants program.

Governor's Office

Launched a data center workgroup per Executive Order 25-05

Gov. Ferguson launched a workgroup to study and recommend policy options regarding data center tax revenue, energy use, and environmental and economic impacts. Since kicking off the workgroup in May, the Governor's Office and the Department of Revenue have led a series of meetings including industry, utilities, advocacy groups, interested Tribes, labor, legislators, and state agency representatives to discuss data center growth in Washington. An Energy and Resources subgroup, chaired by the Department of Commerce, has explored rapidly increasing energy needs from data centers being sited in-state and potential impacts to Washington's

clean energy targets under the <u>Clean Energy Transformation Act</u>⁵⁴ and the <u>Climate Commitment Act</u>. The workgroup will culminate with a report to the Governor highlighting potential policy solutions by December 1, 2025.

Governor's Office of Indian Affairs

Determined which Tribal technical staff to contact for clean energy project planning GOIA is identifying Tribal technical staff as points of contact as well as Tribal preferences for being contacted about clean energy projects. The list will be updated annually or as requested by Tribes.

Developed training for clean energy project developers

Developed a clean energy project training with Commerce to help project developers know how best to consult with and engage Tribes regarding clean energy projects.

Governor's Office of Regulatory Innovation and Assistance

Provided assistance and coordination with clean energy project developers

ORIA continued discussions with clean energy project developers and provided information about siting projects in Washington.

Washington Department of Fish and Wildlife

Developed guidelines to address wildlife and habitat concerns in solar and wind project siting WDFW developed guidelines and best practices on how to conduct surveys, identify potential impacts, and develop mitigation measures for solar and wind energy projects. WDFW held workshops to engage conservation organizations, county planning departments, Tribes, solar and wind developers, and state agencies. The <u>solar and wind power siting guidelines</u> were published in September 2025.

Washington State Department of Agriculture

Support development of agrivoltaics

WSDA continues to look for opportunities to support agrivoltaics where land uses intentionally integrate agriculture and solar photovoltaic energy generation. WSDA <u>assessed the use of underutilized state-owned lands</u>⁵⁷ for agricultural uses or clean energy siting. Of the 11 candidate locations totaling 234 acres in size, the report found some opportunities for smaller-scale utility solar (less than 100 acres in size) or community-scale installation under one

⁵⁴ http://lawfilesext.leg.wa.gov/biennium/2019-20/Pdf/Bills/Session%20Laws/Senate/5116-S2.SL.pdf?q=20210822161309

⁵⁵ https://app.leg.wa.gov/RCW/default.aspx?cite=70A.65

⁵⁶ https://wdfw.wa.gov/publications/02662

⁵⁷ https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=AGR2-2504-027-VacantLandsAnalysisReport-final_af32cccf-c1de-48a7-b6ae-2b006e368da8.pdf

megawatt. Factors such as connectivity to existing electrical infrastructure, habitat value, and slope played key roles in determining overall suitability for agrivoltaics.

Support for anaerobic digester development

WSDA continues to support industry and partner agencies in installing and applying anaerobic digesters at dairies across the state.

Washington State Department of Transportation

Completed legislative report on use of state rights-of-way for clean energy

WSDOT submitted a <u>report to the Legislature</u>⁵⁸ summarizing its ongoing analysis of alternative uses of highway rights-of-way for clean energy. This work will continue into the 2025-27 biennium and WSDOT will review applicable policies to identify improvement opportunities related to siting clean energy facilities on WSDOT-owned rights-of-way. The agency also completed an initial high-level assessment of statewide suitability of alternative uses of WSDOT rights-of-way and intends to build upon the assessment with mapping tools.

Utilities and Transportation Commission

Supported investor-owned utility regional generation and transmission planning

UTC requires regulated utilities to assess and plan for the availability of regional electrical generation and transmission capacity to serve customers. The UTC provided recommendations and approvals for these integrated resource plans with consideration of regional needs. UTC continues to improve the process for the second round of electric utility Clean Energy Implementation Plans, as required by RCW 19.405.060. 59 UTC made recommendations on the first round of Clean Energy Implementation Plans, including denying plans that did not show progress in meeting the goals of the Clean Energy Transformation Act. Further, the Commission approval of utility requests for proposals in the past year specifically required changes to contracting that would make transmission scoring—central to siting—more transparent and flexible.

Providing guidance on utility investments

UTC continues to work on performance-based regulation which may provide incentives for utilities to invest in new generation, transmission, and grid enhancing technologies. The agency held a technical conference, open to the public, on grid enhancing technologies and UTC committed to provide guidance on allowing a return on power purchase agreements, which can give signals to develop new generation.

Coordinating with agencies for long-term planning

UTC worked with regional regulatory agencies on long-term transmission planning and cost allocation to meet Federal Energy Regulatory Commission requirements. The agency also worked closely with Commerce and Ecology on greenhouse gas standards and data tracking in

⁵⁸ https://wsdot.wa.gov/sites/default/files/2025-01/Alternative-Use-of-Highway-Rights-of-Way-Report-January2025.pdf

⁵⁹ https://app.leg.wa.gov/RCW/default.aspx?cite=19.405.060

developing energy markets. UTC also coordinated with Commerce to host multiple meetings as outlined in state law (RCW 19.280.065), ⁶⁰ where utilities, organizations, and the public discussed supply chain and siting and permitting effects on statewide and regional resource adequacy.

Council engagement

This section describes the extensive efforts of the Council in its second year to strengthen its engagement with interested parties and Tribes. A Council goal is to promote public understanding, awareness, and visibility of our work. In spring 2025, Tribes and interested parties were asked how they would like to engage with the Council and its work. Input was used to develop an Interested Parties Engagement Plan⁶¹. Tribes also reviewed a draft Tribal Engagement Plan. Engagement is an ongoing process and plans will be reviewed annually for updates.

The Council improved accessibility by providing information in Spanish and having Spanish and American Sign Language interpreters available at workshops and meetings. The EJ Council and Commerce helped encourage participation by providing resources for language access services and community compensation for the workshops and question-and-answer sessions.

There are several opportunities for input throughout the year:

- Spring workshop to share Council updates and hear issues and ideas
- Summer comment period on draft recommendation topics for the annual legislative report and a questions and answer session
- Fall workshop to share final recommendations and annual report
- Winter workshop to provide updates

Opportunities for improving clean energy siting and permitting

The Council held workshops in May and June 2025 with Tribes and interested parties. The group discussed roles and responsibilities of the Council and attendees provided input on clean energy siting and permitting issues for the Council to consider. Participants also raised several other topics including:

- Lack of funding and staffing resources for Tribes, agencies, and communities
- Improving consultation, engagement, and sharing information with Tribes
- Information and data gaps for clean energy technologies, including emerging technologies

 $\frac{\text{https://fortress.wa.gov/ezy/ezshare/sea/Clean\%20Energy\%20Coordination/Council\%20Meetings/Interested\%20Parties\%20Engagement\%20Plan_CleanEnergySitingCouncil_June2025.pdf}$

⁶⁰ https://app.leg.wa.gov/rcw/default.aspx?cite=19.280.065

⁶¹

- Addressing local impacts, including land use conflicts, taxes, and other burdens
- Transmission capacity limitations
- Identifying community benefits and improving developer and agency engagement with local communities during the siting and permitting process

In July 2025, we provided draft recommendation topics for a 30-day comment period and held question and answers sessions in early August for interested parties and Tribes. Comments noted the urgency for transmission and clean energy development and included support for a state transmission authority. Engagement was a key theme, including collaboration with communities on outreach and educational materials. Comments reinforced the need for early engagement and government-to-government consultation with Tribes on SEPA categorical exemptions to ensure protection of Tribal resources. There was also interest in supporting local governments with clean energy planning and developing consistent guidance. The Council considered this feedback as it developed its final recommendations.

Council recommendations

The Council continues to support the recommendations from its 2024 annual report. For 2025, the Council developed additional recommendations that advance the state's energy policies and goals identified in state-law⁶² (RCW 43.394.020) to promote the efficient, effective, and responsible siting and permitting of clean energy projects. They are focused on current or expected clean energy technologies, and process and policy actions that promote coordination across multiple agencies. The Council does not make recommendations on project oriented or agency specific topics. The Council considered short- and long-term priorities as well as funding and staffing requirements to implement the actions.

Topic: Address transmission capacity limitations

Washington's transmission system requires expansion and enhanced capacity to manage the increased demand for electrical power. A more robust and updated transmission system will support affordability and reliability goals by enabling the efficient dispatch of least-cost resources across the region.

The Council supports the following recommendations to improve the efficiency and effectiveness of siting and permitting transmission while continuing to protect the environment, overburdened communities, and Tribal rights, interests, and resources.

Recommendation: Establish a state entity to develop and finance transmission projects

 In the 2025 legislative session both the House and Senate policy committees approved versions of a bill to establish a state entity directed to finance and develop transmission projects and support the development of transmission projects by other transmission

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⁶² https://app.leg.wa.gov/rcw/default.aspx?cite=43.394.020

- developers. The Legislature funded work by Commerce to review state financing options for transmission projects.
- Studies in other regions show very high returns on investment in transmission.

Recommendation: Develop transmission siting and permitting tools

- Establish a state-led effort to support coordinated siting and permitting of transmission and facilitate development of new transmission with input from local, state, and federal agencies, Tribes, and potentially affected communities. Examples of coordinated transmission siting and permitting efforts include:
 - Identifying high priority transmission corridors based on EFSEC's <u>programmatic</u> <u>environmental impact statement for transmission facilities</u>⁶³ impact analysis and mapping.
 - Assessing federal, state, and local requirements, information needs, and areas of overlap to identify project review and permitting efficiencies and improve coordination. This could include assessing state and federal environmental review processes and procedures to improve data sharing for analysis and reports, and ensuring that state requirements are met.
 - Identifying and addressing barriers to new transmission development with local utilities, including forecasting need and securing funding.
 - Developing policies and standards that require early and collaborative engagement with communities and Tribes.
 - Developing best practices and education tools for local community engagement in transmission siting and permitting, including consideration of community benefit plans.
 - Developing a state-led strategy to coordinate with BPA and utilities on interconnection queue transparency, prioritization, and capacity planning.
- Explore process efficiencies for obtaining rights-of-way on state-owned lands (including a process for obtaining rights-of-way across multiple state agency jurisdictions) which considers the unique statutory authorities and requirements on public lands.
- Develop a repository of local codes and ordinances that support transmission development and permitting to provide frameworks for local and Tribal governments to consider adapting to their local circumstances.

Recommendation: Improve the capacity and efficiency of existing transmission infrastructure

 Require utilities to identify the potential for upgrades to existing transmission lines through high-performance conductors and grid enhancing technologies to increase the capacity on their transmission lines.

⁶³ https://efsec.wa.gov/transmission-programmatic-environmental-impact-statement-peis

- Offer utilities incentives to complete upgrades, such as financial or permitting process efficiencies.
- o Increase the scope of the existing SEPA categorical exemption for transmission line upgrades to encompass higher voltage transmission lines [Washington Administrative Code (WAC) 197-11-800(23)(c)]⁶⁴ if this expansion of scope is not likely to cause a significant adverse impact. Expansion of the categorical exemption must ensure resources are adequately protected.
- Ecology oversees the SEPA rules and guidance for the state and the majority of SEPA determinations are made by local governments. Tribes stated concerns that the use of categorical exemptions could affect Tribal resources and reduce opportunities for commenting. Changes to categorical exemptions would need to include engagement and coordination with Ecology, Tribes, and local governments to implement.

Topic: Support clean energy development

These recommendations provide options to address challenges associated with siting and permitting new transmission lines or developing a new generation site. While this may help resolve some transmission constraints in the near term, new transmission would still be needed.

Recommendation: Support development options that do not require transmission connections

- Support alternatives that do not rely on transmission, such as development of microgrids centered around clean energy sources, adding battery energy storage systems near load centers, or co-locating a project with an associated clean energy source.
 - Support could include funding local governments to develop coordinated planning and permitting guidance, training local governments on how to implement planned actions under SEPA, developing programmatic environmental impact statements for transmission facilities, and establishing microgrids.

Recommendation: Incentivize existing energy infrastructure upgrades

- To support the shift from fossil fuel-based power to clean energy generation, identify incentives or permitting process efficiencies for upgrading or modernizing existing developed or underutilized sites and infrastructure.
 - Existing sites may have contamination or require demolition or upgrades to accommodate clean energy facilities. These preliminary site development steps

⁶⁴ https://app.leg.wa.gov/WAC/default.aspx/default.aspx?cite=197-11-800

are likely to require additional permits or review. Consolidating steps for environmental reviews and permitting of upgrades to existing developed sites and infrastructure would reduce timelines and costs for upgrading these facilities. Combined with other financial or regulatory incentives, process efficiencies would promote further investment in existing energy infrastructure.

Recommendation: Promote Tribal clean energy projects

- Consider options to support Tribal clean energy projects, including joint development with Tribes and private or publicly-owned clean energy projects.
 - Several Tribes are considering clean energy projects on Tribal lands but staffing and funding constraints may limit these proposals.
 - Joint development with Tribes could improve economic and community development and leverage the expertise of Tribal members and industry.
 Potential impacts to Tribal rights, interests, and resources would be addressed during project siting and design.

Topic: Improve permitting through meaningful engagement and planning

Tribal engagement and local government planning are critical to the success of clean energy projects. These recommendations were developed to improve project permitting processes by providing resources for Tribal review, engagement on resource impacts, and connecting local governments with the tools they need to plan for clean energy development.

Recommendation: Provide long-term funding for Tribal project review

- Develop long-term funding mechanism for Tribes to hire and retain staff to engage in clean energy project reviews. Funding should be made available for legal, technical, environmental, and cultural staff capacity to review and respond to projects.
 - During the Council's engagement with Tribes, we consistently heard Tribes express that limited staff capacity is a barrier to engagement in project review. While there is state funding available, including capacity grants through the Climate Commitment Act, a long-term funding mechanism would help address this barrier.

Recommendation: Engage with Tribes on SEPA categorical exemptions

 Engage early with Tribes on SEPA categorical exemption ideas for clean energy to identify and address Tribal and cultural resource impacts. Early engagement is crucial for Tribes to understand the intent of changes and provide early feedback to resolve potential issues. SEPA categorical exemptions may be an appropriate tool for clean energy projects shown to have minimal impacts on the natural and built environment. However, in many cases, SEPA review is the process through which Tribes are notified of a clean energy project and agencies consider impacts to resources, including Tribal and cultural resources. Tribes continue to have concerns about how impacts would be addressed if additional categorical exclusions are developed. Early discussions with Tribes are needed to ensure impacts for categorically exempted clean energy projects are adequately considered.

Recommendation: Support local governments in clean energy planning

- Provide resources and tools for local governments to integrate clean energy into local land-use planning. When allocating resources for this work, identify and prioritize jurisdictions that are likely to have the most clean energy developments proposed in their planning areas. Planning resources and tools could include:
 - Providing information and training opportunities for local governments on new and emerging clean energy generation and storage technologies to support comprehensive plan development and standardize zoning and other rules and regulations
 - Producing guidance to help jurisdictions review their local planning documents, land use maps, zoning, and development code for practices that impede innovative siting of energy facilities
 - Developing template language in guidance materials for jurisdictions to integrate into their planning and permitting processes
 - Developing standardized definitions for key terms related to clean energy facilities for jurisdictions to incorporate into utilities-related sections of local comprehensive plans and development regulations
 - Expanding information sharing in the comprehensive planning processes to facilitate discussions on both the need for load/capacity and a utility's ability to construct the infrastructure to serve that project with a clear understanding of timelines
 - Identifying opportunities within the Growth Management Act to balance longterm conservation of designated resource lands with the development of clean energy facilities
 - Expanding the scope of what constitutes an "Essential Public Facility" under the Growth Management Act to include clean energy and energy storage facilities so that local governments must consider it in their comprehensive plans and development regulations

Recommendation: Assess lands available for energy development

• Identify publicly owned lands that are most feasible for energy development.

- Consider state- and county-owned lands, rights-of-way, brownfields, previously disturbed and developed sites, sites that avoid impacts to sensitive habitat, and already developed industrial areas.
- Consider potential impacts and benefits of developing available lands in a planning process, including cumulative impacts. The planning process could be accomplished by designating clean energy preferred zones, using a build-ready approach, or the SEPA planned action process.
- Provide funding for Tribes, communities, and local agencies to engage in these processes.
- Provide incentives to develop projects at sites identified through these processes.

Topic: Support community engagement

Commerce's <u>Rural Clean Energy Report</u>⁶⁵ identified that rural communities feel they lack local input on shaping clean energy projects and that decision-making occurs without adequate transparency and community involvement. The following recommendation is intended to address these concerns.

Recommendation: Develop community engagement tools

- Provide objective and factual information about clean energy technologies in accessible
 ways that build understanding about operations, risks, opportunities, and considerations
 so communities are well-informed and can provide robust input and feedback.
 - Create multilingual community engagement and outreach programs that engage diverse communities. Examples could include developing educational materials for battery energy storage systems or emerging technologies that communities may not be familiar with.
 - Provide funding and resources to conduct robust community and Tribal engagement.
- Develop guidance and best practices for developers and local governments on communications and engagement strategies for overburdened communities when clean energy projects are proposed.

Topic: Address emerging technologies

Emerging clean energy technologies include long duration energy storage, advanced nuclear, nuclear fusion, green hydrogen, enhanced/advanced geothermal, sustainable aviation fuel, and anerobic digesters. These recommendations were developed to help local governments, communities, and Tribes understand and respond to emerging technologies. Increasing awareness of the technologies and potential impacts would improve public engagement and lead to efficiencies in environmental review and permitting processes.

⁶⁵ https://deptofcommerce.app.box.com/s/j8g02vl2lmxf1oq1dd2opceex7q7gmro

Recommendation: Support local government response to emerging technologies

- Assist counties and cities in updating their local codes for emerging clean energy technologies. This includes providing template language that could be modified to meet local conditions and concerns. Emerging facility types may not be fully addressed under current municipal codes and local planners are unlikely to have the technical background in these facilities to effectively review proposals. Support would include connecting local governments with helpful resources and providing objective and factual information on emerging technologies.
- Explore opportunities to fund agrivoltaic demonstration projects to provide counties with on-the-ground experience when considering local code amendments to potentially allow these types of projects on resource lands.

Recommendation: Identify and resolve obstacles to developing geothermal energy resources

- Support exploratory drilling and water resource studies in geothermal areas of interest to gather data. Areas of interest would be determined by agencies in coordination with industry, utilities, communities, and Tribes.
 - o To support the state's transition to clean energy by 2045, the Legislature recognized geothermal energy⁶⁶ (Chapter 350, Laws of 2024) as a potential resource for clean energy. New advanced and enhanced geothermal technologies are expanding the areas and temperatures at which projects can be efficiently operated.
 - Support could include funding the matching state grant program for exploratory drilling in RCW 43.31.038.67.
 - Exploratory drilling and water resource studies will inform agencies on resource potential and support federal, state, and local agencies in planning for future geothermal development.
 - These studies would also complement the current geothermal collaborative process. Ecology, with support from Commerce, DNR, WDFW, EFSEC, and DAHP, started a collaborative process to engage with Tribes and communities to identify opportunities and risks associated with the development of geothermal energy resources. The process will also develop factors, such as geologic suitability, to help identify preferable sites. An interim report will be completed by June 2026 and final report by June 2027.
 - Information gathered from additional studies and during the collaborative process will inform next steps. These could include a programmatic

67 https://app.leg.wa.gov/RCW/default.aspx?cite=43.31.038

⁶⁶ https://lawfilesext.leg.wa.gov/biennium/2023-24/Pdf/Bills/Session Laws/Senate/6039-

S.SL.pdf?q=20250603125300

environmental impact statement, local government SEPA planned actions, or establishing geothermal energy areas.

Conclusion

The Council supports the implementation of the recommendations in this report and in the 2024 report.

We believe these actions will improve siting and permitting of clean energy in Washington state and help meet our goals for a clean energy transition. We know the largest constraint to clean energy development is the limitations of our existing transmission system. Many clean energy projects are proposed but cannot connect to the electrical grid. While we look to near-and long-term solutions for the grid, there are actions we can take now to provide more options for clean energy development and improve awareness and understanding of their benefits and challenges. Changes at the federal level, as well as state and federal funding constraints, will affect development and we have considered these in creating the recommendations. Washington state has been a leader in clean energy for many years and we believe the recommendations in our reports continue us on a path that improves our economy and protects our people and environment.

Appendix A: Abbreviations

BPA Bonneville Power Administration
CEQ Council on Environmental Quality

Commerce Washington State Department of Commerce

Council Interagency Clean Energy Siting Coordinating Council

DAHP Washington State Department of Archeology and Historic Preservation

DNR Department of Natural Resources

DOI U.S. Department of Interior

Ecology Washington State Department of Ecology EFSEC Energy Facility Site Evaluation Council

EJ Council Environmental Justice Council
GOIA Governor's Office of Indian Affairs
NEPA National Environmental Policy Act

ORIA Governor's Office for Regulatory Innovation and Assistance

RCW Revised Code of Washington
SEPA State Environmental Policy Act

UTC Utilities and Transportation Commission

WAC Washington Administrative Code

WDFW Washington Department of Fish and Wildlife
WSDA Washington State Department of Agriculture

WSDOT Washington State Department of Transportation

Appendix B: Interagency Clean Energy Siting Coordinating Council members

Co-lead agencies

Department of Ecology: Joenne McGerr, Diane Butorac, Brenden McFarland, Alexandra Shin, Amelia Fujikawa

Washington State Department of Commerce: Glenn Blackmon, Dan Siemann

Council members

Department of Archaeology and Historic Preservation: Allyson Brooks

Department of Natural Resources: Kate Dean, Jim Woodward

Energy Facility Site Evaluation Council: Sonia Bumpus, Lisa McLean

Environmental Justice Council: Jonathan Chen, Sierra Rotakhina

Governor's Office: Kate Brouns

Governor's Office of Indian Affairs: Tim Reynon, JT Austin

Governor's Office for Regulatory Innovation and Assistance: Dan McConnon

Utilities and Transportation Commission: Heather Moline, Payton Swinford

Washington Department of Fish and Wildlife: Ben Blank, Michael Garrity

Washington State Department of Agriculture: Alison Halpern

Washington State Department of Transportation: Ahmer Nizam, Gretchen Coker

Appendix C: Status of Tasks Identified in House Bill1216

Section & Task	Responsible Agency	Activities and accomplishments (by Oct 1, 2025)	Status (by Oct 1, 2025)	Notes or Links
101 (1) Establish an interagency clean energy siting coordinating council	Ecology and Commerce	All required agencies participating. Meets monthly since August 2023.	Accomplished and ongoing	https://ecology.wa.gov/re gulations- permits/sepa/clean- energy/council
102 (2)	Ecology and Commerce	Coordinating council shall provide an annual report. Due annually October 1.	Accomplished and ongoing	This report fulfills this task.
102 (1) (a) Identify actions to improve siting and permitting of clean energy projects	Council members	Council discusses regularly at Council meetings and workgroups.	Accomplished and ongoing	This report fulfills this task.
102 (1) (b) Track federal government efforts to improve clean energy project siting and permitting	Council members	Council discusses regularly at Council meetings and workgroups.	Ongoing	This report fulfills this task.
Sec 102 (3) (a) (i) (A) Evaluation of state agency siting and permitting processes for clean energy projects;	Commerce	Independent third-party evaluation of state agency siting, models from other states; Contracted to Beveridge and Diamond PC. Completed July 1, 2024.	Completed	https://deptofcommerce. app.box.com/s/zo6ofm0u l3uxh0364exb3dbnpfsbf1 df
102 (1) (c) Conduct outreach to parties with interests in clean energy siting and permitting	Council members	Council regularly engages with interested parties and Tribes. The Council developed engagement plans that include multiple opportunities for outreach.	Ongoing	Engagement opportunities are updated on the Council's website. https://ecology.wa.gov/re gulations- permits/sepa/clean- energy/council
102 (1) (d) Establish work groups as needed	Council members	As needed	As needed	No notes or links
102 (1) (e) Create advisory committees deemed necessary	Council members	As needed	As needed	No notes or links
102 (1) (f) Support GOIA in creating and updating annually a list of contacts at federally recognized Indian Tribes	GOIA	Create and update a list of contacts at Tribes for clean energy.	Ongoing	No notes or links

Section & Task	Responsible Agency	Activities and accomplishments (by Oct 1, 2025)	Status (by Oct 1, 2025)	Notes or Links
102 (1) (g) develop and provide to clean energy project developers a training on consultation and engagement processes for federally recognized Indian Tribes	GOIA, DAHP, Commerce, EFSEC	Develop training for developers. Completed fall 2025.	Complete	No notes or links
102 (1) (h) Support DAHP in updating the statewide predictive archaeological model	DAHP	Updated the risk assessment. Completed June 2025.	Complete	https://dahp.wa.gov/proje ct-review/wisaard- washington-information- system-for-architectural- and-archaeological- records-data
102 (1) (i) Support Ecology in the nonproject reviews required under section 303 of this act	Ecology	Finalized nonproject reviews (see related item below). Completed by June 30, 2025.	Complete	https://ecology.wa.gov/re gulations- permits/sepa/clean- energy/programmatic-eis
102 (3) (e) Establish program for clean energy projects of statewide significance	Commerce	Program is developed and is in the soft launch phase as of June 2025.	In progress	No notes or links
102 (3) (b) Report on Consolidated clean energy application	Ecology	Explored potential development of consolidated clean energy permit application. Completed October 1, 2024 (combined with report on consolidated permit).	Complete	https://apps.ecology.wa.g ov/publications/Summary Pages/2406010.html
102 (3) (c) Report on consolidated permit for clean energy projects	Ecology	Explored potential development of consolidated clean energy permit. Completed October 1, 2024.	Complete	See weblink above
102 (3) (d) Determine priorities for categories of clean energy projects to be the focus of new nonproject environmental impact statements	Council members	Ecology initiated a programmatic EIS for sustainable aviation fuel; final PEIS will be completed by June 30, 2027	Ongoing	https://ecology.wa.gov/re gulations- permits/sepa/clean- energy/programmatic-eis
102 (3) (e) Consider and provide recommendations to the Legislature on additional benefits that could be provided to projects designated	Council, Commerce	See item 102 (3) (2) above	Ongoing	No notes or links

Section & Task	Responsible Agency	Activities and accomplishments (by Oct 1, 2025)	Status (by Oct 1, 2025)	Notes or Links
as clean energy projects of statewide significance				
201-209 Establish Clean Energy Coordinated Permitting Process	Ecology	Developed outreach, guidance, and templates. Ready for projects.	Completed	https://ecology.wa.gov/r egulations- permits/sepa/clean- energy/clean-energy- coordinated-permit- process
301 (2) (a) and (3) (a) Require notification of SEPA probable determination of significance	Ecology	Notification of SEPA probable determination of significance already required by rule Sec. 301 (3) (a) SEPA. No additional work needed.	Completed	https://app.leg.wa.gov/w ac/default.aspx?cite=197- 11
302 (1) (a), (b), and (c) Develop Nonproject Environmental Impact Statements	Ecology	Finalized three programmatic EISs for onshore wind, solar, green hydrogen (plus co- located storage). Completed by June 30, 2025.	Complete	https://ecology.wa.gov/re gulations- permits/sepa/clean- energy/programmatic-eis
302 (7) Establish preferred zones for the clean energy project technology analyzed in nonproject reviews	Council members	Recommend potential areas to designate as clean energy preferred zones for the clean energy project technology analyzed in nonproject reviews	Council will evaluate using the programmatic EISs and once the Tribally-led project to identify areas that can be prioritized for clean energy development is completed.	No notes or links
306 Identify Information for Pumped Storage Siting	Washington State University Energy Program	Completed final Pumped Storage Hydropower Siting Study to understand issues and interested surrounding the siting of pumped storage. Completed June 2025.	Complete	https://www.energy.wsu. edu/CleanFuelsAltEnergy/ PSHSiting.aspx
307 (1)(a) Rural Energy Study	Commerce	Completed Rural Clean Energy Economics and Community Engagement Study and Report. Completed by December 1, 2024.	Completed	https://deptofcommerce. app.box.com/s/j8g02vl2l mxf1oq1dd2opceex7q7g mro
308 Create the joint committee on energy supply, energy conservation, and energy resilience	Legislature	Meetings ongoing	Completed	No notes or links

Section & Task	Responsible Agency	Activities and accomplishments (by Oct 1, 2025)	Status (by Oct 1, 2025)	Notes or Links
310 (1) Joint Committee on Energy Supply, Energy Conservation, and Energy Review Rural Energy Study	Legislature	Met on 9/21/2023. Rural clean energy and resilience report update.	Completed	No notes or links