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Governor



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April 1, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 5, 6, 8, 9, and 11, Engrossed Second Substitute Senate Bill 6111 entitled:

"AN ACT Relating to generating electricity from tidal and wave energy."

Washington State is currently working with tidal and wave energy project proponents and federal agencies to identify what will need to take place to specify potential environmental impacts and Engrossed Second Substitute Senate Bill 6111 establishes a workgroup to further this inquiry.

Sections 5 and 6 require that a public-private entity be created to support hydrokinetic energy development, and that a report to the Legislature be submitted in December 2008. I believe that this work is premature until we understand the potential impact on Puget Sound and our ocean resources.

Sections 8 and 9 exempt machinery and equipment used in generating tidal or wave energy from state and local retail sales and use taxes and public utility taxes. Such tax exemptions are more appropriately considered once commercial production of tidal turbines is viable.

Section 11 is a null and void clause which, due to the veto of Sections 5 and 6, is unnecessary.

For these reasons, I have vetoed Sections 5, 6, 8, 9 and 11 of Engrossed Second Substitute Senate Bill 6111.

With the exception of Sections 5, 6, 8, 9, and 11, Engrossed Second Substitute Senate Bill 6111 is approved.

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Respectfully submitted,

/s/
Christine O. Gregoire
Governor