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# Washington Climate Change Challenge

## Climate Action Team

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### Summary of Third Meeting

Thursday, September 18, 10:00 a.m. – 5:30 p.m.

Friday, September 19, 8:00 a.m. – 2:30 p.m.

Hotel Bellwether, Bellingham, WA

Meeting documents are available on the Washington Climate Change website:

[http://www.ecy.wa.gov/climatechange/2008CAT\\_meetings.htm](http://www.ecy.wa.gov/climatechange/2008CAT_meetings.htm)

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### Washington Climate Change Challenge and Climate Action Team

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In February of 2007, Governor Christine Gregoire issued Executive Order 07-02,<sup>1</sup> Washington's Climate Change Challenge, which established greenhouse gas (GHG) emissions reduction and clean energy economy goals for Washington State. The Directors of Ecology and Community, Trade, and Economic Development (CTED) convened the Climate Advisory Team (CAT), a group of stakeholders representing industry, tribes, environmental groups, local government, and public agencies, to develop recommendations to meet this challenge. The CAT worked throughout 2007, and in February of 2008, released its interim report "*Leading the Way on Climate Change: The Challenge of Our Time*"<sup>2</sup>, a strategy for Washington to minimize its contributions to climate change from GHG emissions and to maximize its opportunities in the emerging green economy.

The CAT identified the need for continued work to ensure implementation of its recommendations. The 2008 Legislature passed several important pieces of legislation that gave further focus and direction to Washington's strategy to address climate change, and called for the CAT to continue to play a leadership role in advising the State. In 2008, the CAT, now the Climate *Action* Team, will develop from its comprehensive recommendations a focused, refined, and effective set of actions which are specific and complete enough to be seriously considered by the Governor and Legislature in the 2009 Legislative Session. The CAT will also continue to support the State's engagement in regional and national efforts to meet the climate change challenge.

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### The Makeup of the Climate Action Team

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As of September 18, 2008, the Climate Action Team includes: co-chairs Jay Manning (Ecology) and Juli Wilkerson (CTED); and members Ash Awad (McKinstry Company), Rob Bernard (Microsoft), Clare Breidenich (Western Power Trading Forum), Rod Brown (Washington Environmental Council), Tom Eckmann (Greenwood Technologies, LLC), Preston Feight (PACCAR/Kenworth Trucks), Jake Fey (City of Tacoma), KC Golden (Climate Solutions), Bob Gore (Department of Agriculture), Paula Hammond (Department of Transportation), Bryan Imai (Washington State Auto Dealers Association), Sara Kendall (Weyerhaeuser), Bill Kidd (BP), Mike Kreidler (Office of the Insurance Commissioner), Chad Kruger (Washington State University), Roberta Lewandowski (Futurewise), Jim Lopez (King County), Dennis

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<sup>1</sup> [http://www.governor.wa.gov/execorders/eo\\_07-02.pdf](http://www.governor.wa.gov/execorders/eo_07-02.pdf)

<sup>2</sup> <http://www.ecy.wa.gov/climatechange/interimreport.htm>

McLerran (Puget Sound Clean Air Agency), Bonnie Mager (Spokane County), Bill Messenger (Washington State Labor Council), Dave Moore (Boeing), Carol Moser (Washington Transportation Commission), Steve Nicholas (City of Seattle), Aaron Reardon (Snohomish County), Steve Reynolds (Puget Sound Energy), Rich Riazzi (Chelan County PUD), Bishop Greg Rickel (Episcopal Diocese of Olympia), Doug Sutherland (Department of Natural Resources), Terry Uhling (Simplot), Mary Verner (City of Spokane), Stefan Vogt (Alcoa), Tayloe Washburn (Foster Pepper), Terry Williams (Tulalip Tribe), and Lon Wyrick (Thurston Regional Planning Council).

The Democratic and Republican caucuses of the House and Senate have appointed representatives to participate on the CAT. Representative Dave Upthegrove and Senator Craig Pridemore will represent the Democratic caucus, and Senator Jerome Delvin and Representative Doug Ericksen will represent the Republican caucus.

Project management for the CAT is being provided by Janice Adair and Hedia Adelsman (Ecology) and Tony Usibelli and Cheryl Smith (CTED).

## **Meeting Summary**

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The CAT held its third meeting on September 18 and 19, 2008, at the Hotel Bellwether in Bellingham, WA. The meeting was open to the public. All aforementioned CAT members were present at the meeting except Rob Bernard (Steve Lippman, alternate), Preston Feight (Dan Keiffer, alternate), Mike Kreidler (Chris Carlson, alternate), Carol Moser (Phillip Parker, alternate), and Aaron Reardon (Sego Jackson, alternate). Legislative representatives included Representative Doug Ericksen, Senator Craig Pridemore, Senator Phil Rockefeller, and Representative Dave Upthegrove.

Members of the public and interested stakeholders in attendance included private citizens and representatives from Alcoa, Washington Department of Agriculture, Chelan County PUD, Washington Department of Revenue, Puget Sound Energy, Washington Department of Ecology, City of Bellingham, Community Transit, Washington Citizens for Resource Conservation, WSU, Smedes & Associates, NW Energy Coalition, TTT Recovery, Environmental Health Services, Perteet, Inc., APX Solutions, and the Associated General Contractors of America.

There were seven objectives for the meeting:

1. Provide CAT members with an update on the activities of the Western Climate Initiative (WCI)<sup>3</sup>;
2. Review and discuss emerging recommendations from the Carbon Market Work Groups (Forestry and Agriculture);
3. Discuss quantification principles and guidelines for both GHG reductions and costs;
4. Review and discuss emerging recommendations from the Implementation Working Groups (IWGs);
5. Receive a status update concerning the Land Use and Climate Change Committee (LUCC);
6. Prepare to develop the CAT's recommendations, including the context, message, and "most promising" strategies for the state to pursue; and
7. Discuss funding needs and potential revenue generation.

## **Western Climate Initiative Briefing**

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<sup>3</sup> [www.westernclimateinitiative.org/](http://www.westernclimateinitiative.org/)

Janice Adair of Ecology provided the CAT with an update on current WCI activities and the upcoming release of design recommendations for the regional cap and trade program.<sup>4</sup> Janice emphasized that the design is not as bold as some stakeholders had hoped, but it was an important initial step in the right direction. Janice added that thus far no consensus has emerged regarding the allocation of allowances and the use of auction revenue. The WCI recommendations include developing a list of essential common elements that participating jurisdictions will use to guarantee consistent GHG reporting. Once the elements of the 2009 WCI work plan have been identified, the plan will be released for public review and comment. Janice pointed out that Appendix B of the WCI draft design is devoted to economic modeling; however she suggested that CAT members refer to an April 2008 white paper from the Pew Center on Global Climate Change “Insights Not Numbers: The Appropriate Use of Economic Models” for helpful direction on comparing policy choices in light of incomplete and/or imperfect information.<sup>5</sup>

In the short term, Ecology will support bringing forward a bill authorizing Washington to join the cap and trade program. However, certain design details of the cap and trade program will be completed by individual member jurisdictions, which will be a longer and more deliberate effort. The WCI Partners discussed the possibility of members deciding not to join the cap and trade program, but did not reach any conclusions on the likelihood of this or not.

CAT members were reminded of the webinar briefing on the WCI draft design recommendations (scheduled for Monday, September 29). Since part of the webinar will address the design details left to WCI member jurisdictions to decide, CAT members were advised to consider the totality of the cap and trade system in addition to the complementary policies being developed by the IWGs and other working groups. CAT members requested dedicating part of the briefing to discussing the economic implications of the WCI recommendations on both direct and indirect GHG emitters. CAT members also suggested a roadmap of remaining decisions.

## **Emerging Recommendations from the Carbon Market Work Groups**

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### **Forest Sector Work Group**

Co-lead Craig Partridge provided the CAT with an update on the recommendations emerging from the Forest Sector Work Group. Craig reminded the CAT that the group’s charter directs them to negotiate voluntary opportunities for forest sector offset credits in a manner that does not disadvantage Washington State’s forest industry. The Forest Sector Work Group is actively coordinating with a similar group in the state of Oregon. The group is close to an agreement on several recommendations, including: Avoided conversion of forest lands through cluster development and transfer of development rights; potential offsets through forest management and harvested wood products; reforestation projects; and a parallel carbon storage commitment. Work group members agreed that the draft design for forest offset market participation would be neutral with respect to the optimal size of the offset market, with the acknowledgement that offset market size is a WCI decision.

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<sup>4</sup> The design recommendations were released on September 23 and are available for download at: <http://www.westernclimateinitiative.org/>

<sup>5</sup> The Pew Center’s white paper is available at: <http://www.pewclimate.org/white-paper/economic-models-are-insights-not-numbers>

A CAT member commented on the importance of the 2007 CAT discussions on forestry, which included adhering to the principle of identifying opportunities for Washington's industrial and non-industrial forest landowners and their products. The CAT member added that there is an inherent tension between regulatory tools and the trading element of cap and trade programs due to the additionality concern.

CAT members suggested revisiting the idea of whether or not SEPA was the appropriate place to encourage the use of Washington wood products in buildings, given the need for affordable housing. CAT members also suggested including recycling of wood products under the discussion of improving the durability and lifespan of harvested wood products, due to the potential for local business opportunities.

A CAT member expressed concern that the offset market will create a set of economic incentives that prevents necessary emissions reductions. For example, if an entity is allowed to build a conventional coal-fired power plant and offset the plant's emissions through a project recommended by the Forest Sector work group, the investment in cleaner technology will potentially be discouraged.

With respect to the land use and the cluster development proposal, a CAT member stated that city governments might be cautious because of the uncertain nature of predicting development patterns as well as the difficulty of limiting development within urban growth areas. Additionally, it would be beneficial to have a cost-benefit analysis for the proposal that compares the added transportation and infrastructure needs against potential emissions reductions.

A CAT member suggested considering creative methods for funding offsets in order to address the issue of whether a ton of emitted GHG is equal to a ton of GHG captured in an offset project. WCI could look at methods developed under existing cap and trade regimes. As an example, the Chicago Climate Exchange (CCX) allows offset discounting to attempt to address discrepancies.

### **Agriculture Work Group**

Co-leads Chad Kruger and Kirk Cook provided the CAT with an update on the recommendations emerging from the Agriculture Sector Work Group. The group is considering four carbon offset/credit actions for 2009: Conservation set-aside lands, implementation of precision farming techniques; anaerobic digestion of animal and solid waste; and agricultural carbon storage on working agriculture lands. The co-leads reported that they anticipate reaching group consensus on most of the recommendations, and hope to reach consensus around the offset limitation issue. The group is not addressing biofuel and biofuel feedstock production, since it is unlikely that they would be easily creditable in an offset market. The group has not attempted to begin protocol development for its proposals; rather it has created sideboards and a foundation for protocol adoption or creation. The co-leads emphasized that if the proposals move forward in WCI or another format, they must include a mechanism for continuous updating based on emerging science.

On the subject of offsets, a CAT member offered the general observation that high levels of creativity and innovation should be encouraged. The market system should create wealth, not poverty, and pushing for aggressive emissions targets through regulation is the wrong approach.

A CAT member affirmed the group's decision not to address biofuels at this time, given the current market status. However, the CAT's final report should emphasize that biofuels or other low carbon fuels need to be a part of future discussions, especially considering Washington's regulatory requirements to increase biofuel content to 10%.

A CAT member commented on the difficult regulatory issues surrounding anaerobic digesters. Both Ecology and local governments are struggling with how to make the rules work for these facilities, since they were not envisioned when the relevant rules were originally crafted.

## **Quantification Principles and Guidelines**

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Michael Lazarus of the Center for Climate Strategies provided the CAT with a review of recent and ongoing quantification work – both for GHG reductions and associated costs – for the IWG proposals. Michael reported that the chart of projected emissions used for the 2007 CAT would likely change for various reasons, such as stabilization or even reduction of vehicle miles travelled (VMT) due to high fuel prices. However, the projections and assumptions from the 2007 inventory and forecast document will continue to be used in order to maintain consistency with the state’s approach to-date. For the associated cost analysis, there is greater debate and variability because of the variety of perspectives on the extensiveness of market barriers.

A CAT member commented that the McKinsey Report<sup>6</sup> emphasizes the point that the economic transformation under discussion has the potential to create enormous cost-savings. A large amount of cost savings can be achieved across industry, with the correct incentives, to implement many of the strategies the CAT might recommend.

A CAT member stated that in estimating the effect of energy efficiency programs it will be important to estimate what is practically achievable rather than what is theoretically achievable. This includes assumptions about the number of potential participants in a given program.

Bill Ross, the facilitator, reminded CAT members that it is not the mission of the CAT to identify zero cost (or negative cost) options. Rather, the CAT’s role is to identify the policies and resources that will set the right choices in motion, while taking both hurdles and incentives into account.

## **Status Updates from the Implementation Working Groups**

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### **SEPA**

Co-lead Jeannie Summerhays provided the CAT with an update on the recommendations emerging from the SEPA IWG. The SEPA IWG is focusing on three primary work areas: Measurement and disclosure, mitigation, and leveraging SEPA. Measurement guidance would provide pragmatic information to help local jurisdictions and lead agencies know what to measure, and at what stage in the SEPA process, to measure it. Some of the IWG’s products to help develop guidance include sources of emissions, examples of sources, and illustrative case studies. Mitigation strategies are linked to sources of GHG emissions and will be summarized in a spreadsheet, currently under development. For leveraging SEPA, the IWG identified a list of twenty-five potential ways to use SEPA to incentivize climate-friendly development. The list was narrowed to five topics, which the group will explore in greater detail. Over the long term, the SEPA IWG suggests the formation of a SEPA advisory group which would include current IWG members who are willing and able to participate.

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<sup>6</sup> [http://www.mckinsey.com/client-service/ccsi/pdf/US\\_ghg\\_final\\_report.pdf](http://www.mckinsey.com/client-service/ccsi/pdf/US_ghg_final_report.pdf)

A CAT member had three suggestions for the SEPA IWG. The first suggestion was to develop model local SEPA climate procedures and policies that local governments can adopt if they so choose. The second suggestion was that if a rulemaking from Ecology is required to amend the SEPA checklist, it would be helpful to have an early indication for local governments to use, to minimize the development community's risk of non-compliance. The third suggestion was that if the goal of SEPA review is to move quickly toward desired outcomes, as opposed to the analysis and process around SEPA, it will be important to think about how to arrive at the outcome.

A CAT member asked whether or not state agency projects will be able to fully mitigate for climate change, given the state's 2020 emissions goal and the proposed amendments. Jeannie responded that the group has not answered that question yet, but plans to do so before its recommendations are finalized.

A CAT member suggested that Ecology should do as much as possible to assist local jurisdictions with model ordinances, perform environmental review at the state or county impact level, then encourage adoption of standards through regulation rather than apply them on a project-by-project basis. The important elements are ensuring on-the-ground climate performance and choosing the entity that will be responsible for measurement.

CAT members discussed the concept of threshold determination and its relationship to categorical exemptions under SEPA. The SEPA group has not completed its examination of categorical exemptions and their relative merit under a carbon-constrained economy.

A CAT member pointed out the potential for conflict if a SEPA regulatory mitigation standard limits the amount of carbon trading that might otherwise occur. This conflict could create a significant opportunity for litigation. Ecology Director Jay Manning responded that the purpose of the SEPA IWG is to create certainty and clarity with respect to SEPA, mitigation and climate change, not to create litigation opportunities.

A CAT member suggested a transition period as SEPA tools and methodologies for climate change become more developed and available.

## **Transportation**

Co-lead Katy Taylor provided the CAT with an update on the recommendations emerging from the Transportation IWG. The Transportation IWG considered two, six, and ten-year time frames for VMT reduction goals and then created a framework within which the incremental strategies needed to reach those goals could be met. The IWG also considered funding options, including the potential shift in funding the transportation system that would occur if VMT and GHG reductions joined safety and efficiency as primary drivers behind funding decisions. The co-leads believe that the significant challenges facing transportation funding provide an opportunity to discuss a new direction for a reliable long term funding structure. The Transportation IWG's recommendations fall into three categories: Transit, ridesharing, and commuter choice programs; compact and transit oriented development (CTOD) and bicycle and pedestrian accessibility; and transportation pricing strategies. The initial GHG estimates for the recommendations are significantly lower than the estimates from the 2007 CAT due to the higher degree of specificity in the IWG's recommendations and the fact that the calculations only account for mode shifts (for example, GHG reductions attained by shifting from single occupancy vehicles to transit or carpool), and not the interrelatedness of strategies such as compact, transit-oriented development. The GHG reductions from the recommendations are significant but do not achieve a proportional reduction relative to the GHG contribution from the transportation sector. However, additional factors such as the California tailpipe standard or a low carbon fuel standard will

complement the reductions. Likewise, the VMT reduction estimates to date from the strategies looked at so far do not yet reach the VMT goal set forth in ESSHB 2815.

A CAT member commented that there is a political argument to be made on behalf of businesses, since it is in their interest to support proposals that encourage people to live closer to where they work. Katy Taylor added that many businesses and service organizations build outside of well-defined public transit benefit areas, and it is important to incent those who take advantage of existing transportation options as new development moves forward.

A CAT member commented that when transportation plans are formulated at the local level, project staff tends to concentrate on areas where matching funds are available at the regional or federal level. Rather than focus on details (such as requiring sidewalks near schools), the Transportation IWG should emphasize the need for planning alignment in order to tackle the issue at a higher level.

A CAT member expressed concern that the clear constraint behind transportation agencies is funding, which will require both more creativity and more discipline. It is incorrect to assume that enough resources will be available to fund every public policy goal, and it is important to underscore the need to make choices. One example of this potential tension is the Highway 520 corridor, which will require over \$1 billion in toll revenues simply for replacement; including transit service capacity will push the cost even higher. At the same time, Sound Transit has a major proposal on the upcoming ballot, which further complicates the funding situation.

CAT members discussed how VMT fits within the existing strategic priorities of WAsDOT: Safety, managing demand, operating efficiently, and strategically adding capacity.

A CAT member questioned why the actions of individual drivers – such as adjusting tire pressure and reducing speed – were not included in the Transportation IWG's strategies. Katy Taylor responded that WAsDOT is indeed emphasizing individual behaviors in its outreach program to all major employers and regional transportation commissions throughout the state.

A CAT member remarked on the growing interest in VMT and mileage-based insurance from traditional insurance carriers, especially with the spike in fuel prices during the past six months.

### **Energy Efficiency and Green Buildings (EE/GB)**

Co-leads Ash Awad and Tony Usibelli provided the CAT with an update on the recommendations emerging from the Energy Efficiency and Green Buildings IWG. The broader context for the EE/GB IWG's work includes the concept that, in the realm of the built environment, it will take several decades for zero net energy buildings to become a reality, and moving down this path will require setting the stage now for decisions to be made over the next twenty years to accomplish this. The EE/GB narrowed its recommendations to three: Provide tax incentives to promote energy efficiency; improve energy efficiency in public buildings so that they become models for the private sector; and revise the state energy code to achieve the net zero energy consumption goal by 2030, with an intermediate goal of 30% efficiency improvement in the residential and commercial building sectors.

A CAT member commented on the likely difficulty of obtaining sales tax credits given the current stress on the general fund. Other innovative financing programs should be considered, such as capturing money from the rate base and turning it back into incentives, or exploring inverted rate structures similar to those that have been used in the water sector. Another CAT member added that since the beneficiary of the EE/GB's

recommendations are utilities, the IWG should focus on ensuring that it is financially attractive for the utilities to support them.

A CAT member urged the CAT to consider packaging the IWG's recommendations to demonstrate that they represent a strong, concerted public policy package that will achieve enough GHG emissions reductions to have an impact on climate change.

A CAT member suggested clarifying that the ultimate goal is zero net energy consumption for residential and commercial buildings. If the goal is set at 30%, even in an interim time period, then the tax incentives will likely aim for the 10 – 15% range.

A CAT member encouraged public disclosure of energy benchmarks as either a third or fourth step for the residential sector (as opposed to only the non-residential sector as outlined under recommendation 1A).

A CAT member questioned whether or not the workgroup had calculated the timeframe under which the proposed energy efficiency improvements would recoup their costs. If they are projected to recoup their costs over time, it is possible that tax incentives would not be necessary.

A CAT member commented that from the perspective of local governments there appeared to be a mounting list of responsibilities resulting from all of the IWG recommendations. In the case of EE/GB, the requirements include measurement of all public buildings as well as code training and enforcement. In addition, many local governments are moving toward platinum or silver LEED standards, which may obviate the need to update the state energy code.

A CAT member pointed out that the EE/GB recommendations appear to follow the societal trend of favoring (in this case incentivizing) those who are better off economically, whereas the group should consider how to incentivize efficiency changes among those who are less able to afford them.

### **Beyond Waste**

Co-leads Seigo Jackson, Jody Snyder, and Jay Shepard provided the CAT with an update on the recommendations emerging from the Beyond Waste IWG. The Beyond Waste IWG chose to focus on three proposals to promote GHG reductions within the waste stream: optimize the current solid waste collection system to push toward 80% recycling rates by 2020; develop a product stewardship framework that embraces the complete product life cycle and improves the environmental performance of products; and establish a comprehensive organics management system for both composted products and green energy production. The Beyond Waste IWG is also considering a second tier of recommendations that includes voluntary collaboration with representatives of the retail industry to influence the supply chain, and forming a committee to examine state purchasing policies with the goal of adding environmental performance as a criterion.

A CAT member commented that the guiding principle in organics is the avoided emissions of carbon and nitrogen associated with the reuse of organic materials. Basic composting results in the first stage, which is mass reduction; the next step is keeping the energy, nutrients, and carbon in the ground.

A CAT member requested a clarification of the different GHG reduction estimates for anaerobic digesters between the Beyond Waste IWG and the Agriculture carbon market working group. Chad Kruger responded

that the Agriculture working group's estimates are based on updated research and modeling that captures GHG reductions beyond the ability of WARM<sup>7</sup> (the model used by the Beyond Waste IWG).

A CAT member commented on the possibility of connecting food waste programs with food banks or other similar organizations. Sejo Jackson replied that there are multiple programs with which the food waste program could connect, including the concept of using a reverse product distribution system to return unused products to stores or other locations.

A CAT member expressed concern about infrastructure cost for the collection proposal, and whether the financial burden was a public responsibility, private investment, or a combination of the two. The CAT member also expressed concern about the siting of anaerobic digesters and the transportation required to move compost onto fields.

### **Status Update from the Land Use and Climate Change Advisory Committee (LUCC) and Discussion of Cross-cutting IWG Recommendations on Land Use**

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CAT Co-Chair CTED Director Juli Wilkerson updated the CAT on the work of the Land Use and Climate Change Advisory Committee (LUCC). The LUCC's topic areas include amending the goals of the Growth Management Act to include climate change, support for a programmatic review of SEPA, and working with state agencies on technical guidelines and assistance for transportation concurrency. The CAT discussed the importance of connecting the IWG recommendations on land use with the LUCC work in order to craft a more complete picture. Ecology Director Jay Manning noted that there has been a distinct lack of political will to address the GMA, and during the last session, the legislature's only action related to the GMA was the creation of the LUCC. The recommendations from the LUCC, combined with the IWG recommendations on land use, could potentially change the political attitude on dealing with the subject of land use in the Legislature.

A CAT member commented that a useful outcome of the LUCC would be a practical land use planning tool for local governments.

A CAT member observed that the LUCC's subject areas overlapped to some extent with the Transportation and SEPA IWGs. The LUCC is considering, among other things, how SEPA fits into growth management planning.

A CAT member commented that the CAT's inherent strategic advantage is to connect the various disparate recommendations emerging from both the IWGs and the parallel working groups chartered under ESSHB 2815. Another CAT member agreed, emphasizing that recent systemic global analyses of climate change underscore the need to avoid adding carbon-intensive infrastructure (such as traditional coal-fired energy plants) within the next ten years; otherwise any efforts to reduce GHG emissions will be irrelevant. The first step in connecting the multiple emerging strategies is to express a coherent vision of the future.

A CAT member commented that the legislature already recognized the connectivity of land use planning to GHG reduction when it passed legislation with specific targets for both VMT and GHG reduction.

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<sup>7</sup> EPA WAste Reduction Model [http://www.epa.gov/climatechange/wycd/waste/calculators/Warm\\_home.html](http://www.epa.gov/climatechange/wycd/waste/calculators/Warm_home.html)

## **Funding Needs, Revenue Generation, and Quantification/Modeling of Fiscal Impacts**

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Bill Ross, the facilitator, provided an overview of the financial quantification status for the CAT's recommendations. Technical staff will be attempting to quantify, as in the 2007 CAT, whether or not a strategy has net positive or negative benefits for the economy. Based on the CAT's discussions to date, appropriate pricing is both an economic signal and a revenue generator. Also, the message of reordering existing revenue within the system to account for climate is consistent with the 2007 CAT's message concerning market mechanisms.

A CAT member added that ultimately certain individuals or sectors will have to pay, and the cost estimate modeling does not create this complete picture. There also must be recognition that the behavioral changes required to make an impact on GHG reductions may result in additional costs at the outset, prior to the development of sufficient technology or other options to realize cost reductions.

CAT members agreed that it should not be assumed that any auction revenue from a proposed cap and trade system will pay for the proposed recommendations.

## **Preparing to Develop the CAT's Recommendations**

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The CAT discussed the context and message around the recommendations from the implementation working groups to be included in the CAT's report. During the course of the discussion several suggestions arose, including:

- Clearly referencing the power of 'place' as a specific connecting theme.
- Addressing the need for investment in a low-carbon economy and making a case for engagement and education to support public investments. This includes the need to invest in sustainable infrastructure such as water supply and natural systems that provide economic benefits.
- Emphasizing the need for state and local governments to reconsider how funding for infrastructure is allocated.
- Underscoring the urgency behind climate change and the importance of attaining meaningful GHG reductions.
- Including the role of personal choice as part of the comprehensive discussion of the transportation system.
- Expressing the sentiment that although the report does not cover everything, it includes a wide range of solid ideas with a well-developed vision tying them together.

CAT members agreed that the collective vision emerging from its body of work was both bold and thoughtful. For its report, the CAT discussed an endorsement of the overall direction of the recommendations without committing CAT members to agree to every detail.

CAT members discussed the merits of including a statement in its report on the WCI's proposed cap and trade system. There was general consensus on the goal of a cap and trade system: to significantly reduce GHG emissions in a manner that does not disadvantage Washington State. However, any further consensus on cap and trade is lacking due to differences of opinion within programmatic details.

CAT members debated the value of prioritizing the IWG recommendations based on a variety of criteria (ease of implementation, urgency, etc.). Some CAT members felt that prioritization or sequencing was an

important component of the report, whereas others felt that each recommendation should be presented equally to the executive and legislature. Further useful information for decision-making could include identifying those strategies with a fixed time frame or window of effectiveness, and as much qualitative modeling of associated GHG reductions and costs as possible. A CAT member added that the report could include an acknowledgement that not all of the recommendations will be taken up in the 2009 legislative session and a longer term view will be important for policy makers to keep in mind.

## **Next Steps**

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CAT members are invited to participate in a webinar to review and ask questions about the draft design principles for the WCI cap and trade system. The webinar will take place on Monday, September 29 from 1 to 3 pm.

The next CAT meeting is scheduled for October 14 and 15 in Renton, Washington. During the interim, the IWGs will refine and finalize their recommendations to present to the CAT.

## **Public Comment**

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An unidentified member of the public suggested that the next CAT meeting be accompanied by a massive public service campaign, including a request that drivers lower their average speed to 55 miles per hour.

The meeting adjourned at 2:30 pm on September 19.

## Document Appendix

The following materials were distributed to CAT members at the meeting (these materials can also be found on the Washington Climate Change website - links provided below).

September 18 & 19, 2008 CAT Meeting Agenda

[http://www.ecy.wa.gov/climatechange/2008CATdocs/091808\\_agenda2.pdf](http://www.ecy.wa.gov/climatechange/2008CATdocs/091808_agenda2.pdf)

September 18 & 19, 2008 CAT Meeting Presentation

[http://www.ecy.wa.gov/climatechange/2008CATdocs/091708\\_presentation.pdf](http://www.ecy.wa.gov/climatechange/2008CATdocs/091708_presentation.pdf)

SEPA IWG Status Update

[http://www.ecy.wa.gov/climatechange/2008CATdocs/091808\\_cat\\_sepa\\_outcomes\\_summary.pdf](http://www.ecy.wa.gov/climatechange/2008CATdocs/091808_cat_sepa_outcomes_summary.pdf)

EE/GB IWG Status Update

[http://www.ecy.wa.gov/climatechange/2008CATdocs/091808\\_cat\\_eegb\\_proposed\\_actions.pdf](http://www.ecy.wa.gov/climatechange/2008CATdocs/091808_cat_eegb_proposed_actions.pdf)

IWG Quantification Methods

[http://www.ecy.wa.gov/climatechange/2008CATdocs/091808\\_cat\\_iwg\\_quant\\_method.pdf](http://www.ecy.wa.gov/climatechange/2008CATdocs/091808_cat_iwg_quant_method.pdf)

Transportation IWG Status Update

T-1 GHG Reduction Analysis:

[http://www.ecy.wa.gov/climatechange/2008CATdocs/091808\\_cat\\_tran\\_ghg\\_analysis.pdf](http://www.ecy.wa.gov/climatechange/2008CATdocs/091808_cat_tran_ghg_analysis.pdf)

T-1 GHG Reduction Analysis Spreadsheet:

[http://www.ecy.wa.gov/climatechange/2008CATdocs/091808\\_cat\\_tran\\_ghg\\_spreadsheet.xls](http://www.ecy.wa.gov/climatechange/2008CATdocs/091808_cat_tran_ghg_spreadsheet.xls)

Transportation Pricing:

[http://www.ecy.wa.gov/climatechange/2008CATdocs/091808\\_cat\\_tran\\_pricing.pdf](http://www.ecy.wa.gov/climatechange/2008CATdocs/091808_cat_tran_pricing.pdf)

T-4 Recommendations:

[http://www.ecy.wa.gov/climatechange/2008CATdocs/091808\\_cat\\_tran\\_recommendations.pdf](http://www.ecy.wa.gov/climatechange/2008CATdocs/091808_cat_tran_recommendations.pdf)

Beyond Waste IWG Status Update

[http://www.ecy.wa.gov/climatechange/2008CATdocs/091808\\_cat\\_beyond\\_waste\\_report.pdf](http://www.ecy.wa.gov/climatechange/2008CATdocs/091808_cat_beyond_waste_report.pdf)

Agriculture Sector Working Group Status Update

[http://www.ecy.wa.gov/climatechange/2008CATdocs/091808\\_cat\\_ag\\_update\\_package.pdf](http://www.ecy.wa.gov/climatechange/2008CATdocs/091808_cat_ag_update_package.pdf)