

Memorandum

To: 2008 Climate Action Team

Re: The 2008 Climate Action Team - Implementation of the Comprehensive Climate Approach

Date: April 18, 2008

From: Jay Manning, Director of Ecology

Juli Wilkerson, Director of Community, Trade and Economic Development

Thank you for your willingness to contribute to this collective effort to position Washington to continue to lead in addressing climate change. We have a lot to accomplish in a short amount of time and we are confident we have assembled the right team to take on this important challenge. This memo describes the proposed scope of work to be accomplished by the Climate Action Team (CAT) in 2008, and includes a description of the structure for the CAT in 2008, an overview of the proposed Implementation Working Groups (IWGs), an initial solicitation for subgroup participation, a CAT meeting schedule, and a list of the 2008 CAT members. Please note in particular the starred items (**) below, which indicate requests for your input. Over the next two weeks, Bill Ross or Lydia Dobrovolny of Ross & Associates Environmental Consulting will also be calling each of you individually to get your feedback. As we re-establish communication across the team, our focus is to ensure that sufficient information is gathered and any necessary refinements to this proposal are made so that the CAT is successfully reconvened and ready to hit the ground running at the first CAT meeting on May 13, 2008.

Purpose of the 2008 Climate Action Team

The successful completion of the first phase of CAT deliberations and subsequent support by the Legislature indicates that the will and determination exists to make significant and meaningful progress in reducing greenhouse gas (GHG) emissions and in creating a new, lower carbon economy in Washington. This proposed next phase of work is also ambitious. The primary purpose of the 2008 CAT work will be to transform the comprehensive recommendations developed last year¹ into a relatively small number of focused, refined, and effective set of actions that Governor Gregoire and the Washington Legislature can implement in order to take the critical next steps to address climate change. To enable significant progress in the next eight months, the 2008 phase of CAT work needs to be very focused. To that end, the work of the CAT has been closely married to the direction established by the 2008 Legislature, where relevant, while continuing to move Washington forward in meeting the GHG reduction goals based, in part, on the CAT's previous work.

¹ 2007 Interim CAT Report: www.ecy.wa.gov/climatechange/CATdocs/020708_InterimCATreport_final.pdf

Relationship of the CAT to Additional 2008 Climate Activity in Washington

Several significant pieces of legislation passed during the 2008 Legislative Session, including ESSHB 2815, *Creating a framework to reduce GHG emissions in Washington State*,² and ESSB 6580, *Addressing the impacts of climate change through the growth management act*.³ This legislation furthers progress towards meeting Washington's Climate Change Challenge in 2008, and calls for the CAT to continue to play a leadership role in advising the State. The legislation also directs a lot of other activity to address climate change underway in the State as well as supports the continued involvement regionally by Washington State in the Western Climate Initiative (WCI).⁴

Figure 1 (below) illustrates the primary climate activities which will be underway in Washington in 2008, and identifies the lead State agency(ies) for each activity and the proposed role of the CAT. The CAT's primary activity in 2008 is focused on achieving GHG emissions reductions through the work of Implementation Working Groups (IWGs) covering four subcategories: Beyond Waste, Energy Efficiency and Green Buildings, Transportation, and SEPA. The CAT is to develop policies that can be put forward in the 2009 Legislative session or enacted in other ways to meaningfully advance achievement of Washington's GHG emissions reduction goals.

The CAT will play a supportive role in the work underway around the design of the market-based system (as represented by the dotted line). As described in ESSHB 2815, this design work will focus principally on two sectors: Forestry and Agriculture. Over the course of the process, the CAT will have periodic opportunities to provide input to the State as these efforts evolve, and to facilitate this, the CAT meeting schedule has been deliberately set to coincide with the WCI schedule for the release of draft proposals. If, over the course of this process, GHG reductions are identified within the Forestry and Agriculture sectors that are not covered through a market-based system, that work would then be considered by the CAT (as represented by the lower solid line). This coordination will be facilitated by representation of some CAT members on Forestry and Agriculture sector workgroups. Activities will also be underway to address the green jobs provisions contained in ESSHB 2815. As represented by dotted lines, the CAT will receive periodic progress updates about meeting the green jobs component of the legislation. There is anticipated to be specific connectivity between this activity and the CAT's Energy Efficiency and Green Buildings IWG.

These three basic components (design of the market-based system, implementation working groups, and green jobs) will each essentially generate the content for chapters in the final comprehensive report which the Department of Ecology (Ecology) and the Department of Community, Trade and Economic Development (CTED) are charged with delivering to the Legislature by December 1, 2008.

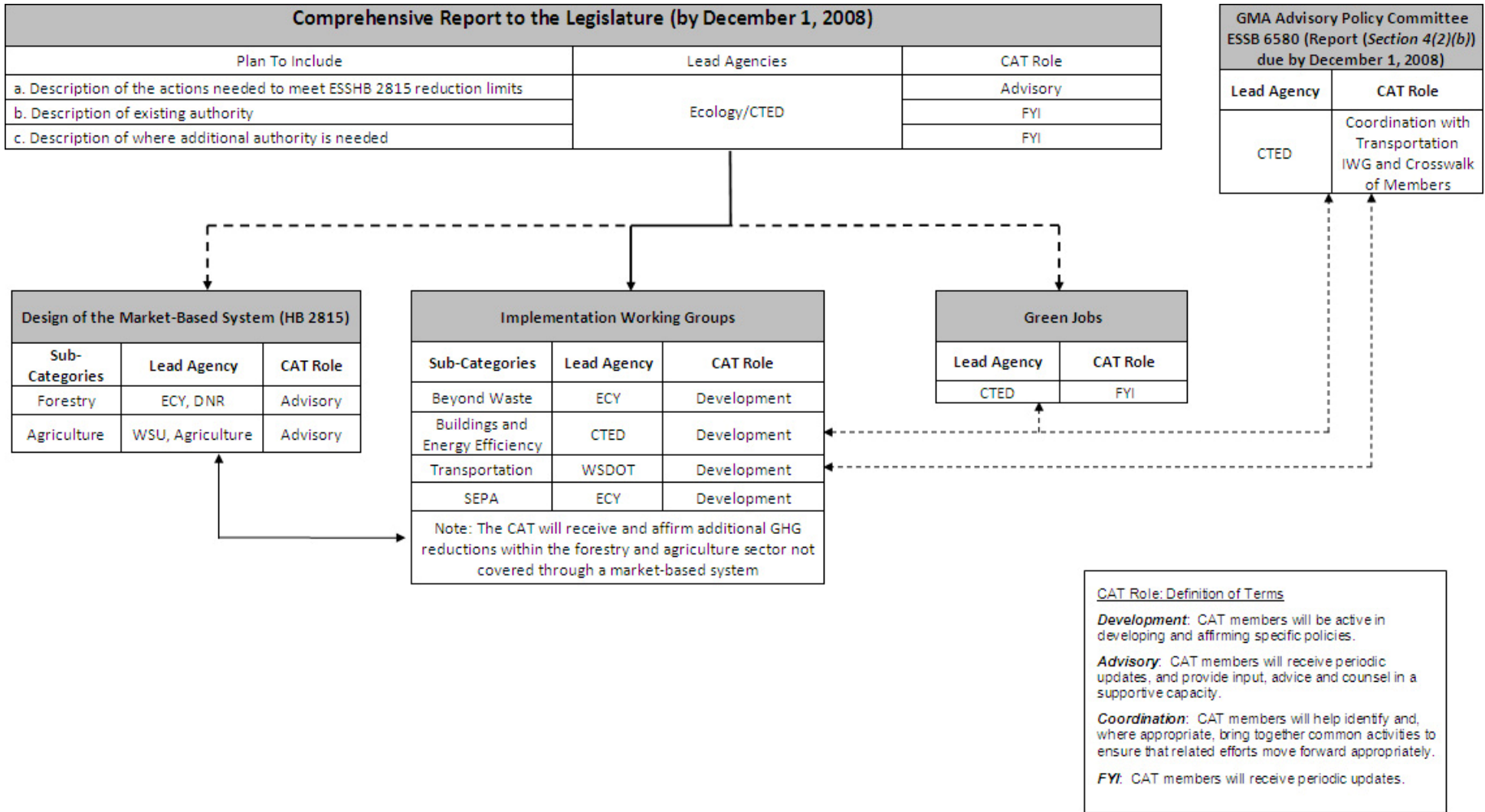
Given the explicit relationship between transportation and green buildings, and land-use planning and community design, there will be a cross-walk between several CAT members who will also

² <http://apps.leg.wa.gov/documents/billdocs/2007-08/Pdf/Bills/House%20Passed%20Legislature/2815-S2.PL.pdf>

³ <http://apps.leg.wa.gov/documents/billdocs/2007-08/Pdf/Bills/Senate%20Passed%20Legislature/6580-S.PL.pdf>

⁴ www.westernclimateinitiative.org/

Figure 1: Relationship of 2008 WA Climate Activities



be members of the committee convened by CTED to address the growth management act (GMA). The CAT will coordinate between these various efforts. The dotted line to the GMA Advisory Policy Committee in figure 1 represents the anticipated connectivity with the CAT IWGs, which will be accomplished by some CAT members being on the GMA committee. Beyond these basic linkages, CTED is still determining how the GMA activities will relate to the CAT process. Under ESSB 6580, CTED will submit recommendations about how to address the impacts of climate change through GMA in a report to the governor and appropriate legislative committees by December 1, 2008.

Charge to the 2008 CAT

The 2008 CAT will be asked to focus on developing specific opportunities for reducing GHGs, continuing its innovative approach that builds upon the strengths of the State, and to advise on (and, where appropriate, reinforce) local, regional, and national emerging efforts. The CAT will continue to engage in collaborative strategic thinking and collective decision-making, and to function as a leadership body charged with:

- **Scoping and shepherding the work of IWGs**, which includes ensuring that the substantive charge to each IWG makes sense and affirming each IWG is scoped to achieve specific and productive outcomes;
- **Creating the base of support necessary for the CAT's 2008 recommendations and policy development** by working on specific issues both as a committee of the whole and through direct participation on one or more IWGs;
- **Advising on how the CAT's recommendations fit with regional/national cap-and-trade programs** by discussing WCI with the State, and considering the connection of each IWG item more broadly with emerging regional and federal policies, where relevant;
- **Considering revenue implications and broad funding issues**, such as funding mechanisms to raise the money for implementation of the State's overall climate program;
- **Assessing the final overall IWG package** to ensure that it achieves the CAT's goals and intent;
- **Providing content to Ecology and CTED to include in the report to the Governor and Legislature** on how the elements relevant to the CAT's charge contained in the 2008 legislation and which are critical for Washington to successfully meet the Governor's Climate Change Challenge can be addressed.

Proposed 2008 Areas of Activity for the CAT

In reviewing the 2007 CAT recommendations and the elements of the 2008 legislation, we have identified an initial scope of work that we believe the CAT will and can accomplish in 2008. This work is outlined in draft scopes of work to be done in IWGs. These scopes are appended to this document and discussed further, below.

IWGs are being proposed as the locus of the activity necessary to accomplish the specific work of the CAT on specific key issues that have been identified as critical for continued progress in reducing GHG emissions in Washington. This is a focused, bounded effort designed to result in the successful development of policy proposals which are specific and complete enough to be seriously considered by the Governor and Legislature in the 2009 Legislative Session.

There are four draft IWG scopes of work:

- Beyond Waste (Appendix A)
- Energy Efficiency and Green Buildings (Appendix B)
- Transportation (Appendix C)
- SEPA (Appendix D)

Contained within each scope is the specific detail of a goal for each IWG, and specific tasks and deliverables. These draft scopes are being provided to the CAT for review and further refinement and adjustment in advance of kicking-off the 2008 CAT and the IWGs.

As you review these drafts, bear in mind that the work of the 2008 CAT will be one of several arenas in which to the State's work to address climate change will advance this year; CAT members are asked to advise whether these elements outlined here are suited for the CAT, and whether there are any other additional tasks from a substantive perspective than those presented here that the CAT could tackle this year and generate a successful outcome. In addition to policy development at the IWG level, remember the dotted lines on figure 1: CAT members will be asked in an advisory capacity to consider connectivity between State policies and the design of the market-based mechanism, and what cap-and-trade might mean for specific sectors and actions in Washington. The CAT will also review and affirm any additional GHG reductions within the Forestry and Agriculture sector not covered through a market-based system.

****Please provide any comments you may have on the appended draft scopes of work by May 1** so that we can consider your comments and present refined scopes in preparation for discussion, refinement, and CAT affirmation at the first CAT meeting on May 13.

Implementation Working Groups (IWGs) Structure

We have identified co-leads for each IWG, who are identified in each IWG scope. These co-leads have been instrumental in further developing these scopes of work, and will play an active role in launching the activity of each IWG, maintaining sufficient communication with members and the project planning team to ensure timely and effective completion of outcomes, and help each IWG conclude its efforts successfully by the end of the CAT process in 2008.

****As you consider the draft IWG scopes of work, please consider which IWG(s) you may be interested in participating in, and let Bill or Lydia know by email or during your check-in calls.** The IWGs will be the place where the specific and complete proposals are developed, and so it is important that CAT members engage deliberately and constructively in the IWG process. CAT members will provide input, suggest needed analysis, and generally contribute to the specific policy and program development at the IWG level. CAT members will be asked to maintain sufficient connectivity to the IWGs that they are not actively participating on so as not to impede the approval/affirmation of the IWG outcomes (this may be accomplished through briefings and opportunity for exchange at CAT meetings). As laid out in the draft scopes of work, the IWGs are charged with drafting any legislation or fiscal notes needed for legislative, budget, or other purposes in successfully implementing their specific program. IWGs may also conduct more in-depth analysis of emissions, costs and benefit as needed. Each IWG will have an appropriate state agency member to help develop any potential legislation or fiscal notes concurrently with the work of the IWG.

Items Not Included as Areas of Activity for the 2008 CAT

There are a number of items either going forward in other venues in 2008, or that do not appear timely for the focused implementation effort of the 2008 CAT given timing, available resources, and the interest in delivering a focused and actionable package in October, 2008. Some of the items not included in the 2008 CAT agenda include:

- Research and development options developed in 2007 by the TWGs
- GHG monitoring and reporting program being developed under 2815.
- Preparation and adaptation
- Macro-economic modeling

Public Involvement

2008 CAT and IWG meetings will be open to the public in a similar fashion as the 2007 process. Materials will be posted online, and the public will be invited to listen-in to calls and meetings. Opportunity for written public comment will be made available via the CAT website, and for verbal public comment at each CAT and IWG meeting.

2008 CAT Pacing and Timing

Following are the dates and tentative locations of the four in-person, full-day CAT meetings. The pacing of this proposed schedule is designed to complete the work of the 2008 CAT by October. These CAT meetings are also timed to coincide with public comment periods on WCI design elements (the CAT will be briefed on WCI's progress at each meeting).

- Meeting # 1 - May 13, Washington State Convention Center, Seattle
- Meeting # 2 - July 25, Spokane
- Meeting # 3 (two-day meeting) - September 18 & 19, North Puget Sound location
- Meeting # 4 (two-day meeting) - October 14 & 15, East-side location
- Potential additional meeting (need TBD) - November 21, West-side location

2008 CAT Members

(Member list current as of April 18, 2008; additional members may be added.)

- **Ash Awad**, McKinstry Company
- **Rob Barnard**, Microsoft
- **Claire Breidenich**, Western Power Trading Forum
- **Rod Brown**, Washington Environmental Council
- **Jake Fey**, City of Tacoma
- **KC Golden**, Climate Solutions
- **Paula Hammond**, WA Department of Transportation
- **Bryan Imai**, WA Auto Dealers Association
- **Sara Kendall**, Weyerhaeuser
- **Bill Kidd**, BP
- **Fred Kiga**, Boeing
- **Mike Kreidler**, WA Insurance Commissioner
- **Chad Kruger**, WSU
- **Roberta Lewandowski**, Futurewise
- **Jim Lopez**, King County
- **Valoria Loveland**, WA Department of Agriculture
- **Dennis McLerran**, Puget Sound Clean Air Agency
- **Bill Messenger**, WA Labor Council
- **Carol Moser**, WA State Transportation Commission
- **Steve Nicholas**, City of Seattle
- **Larry Paulson**, Port of Vancouver
- **Aaron Reardon**, Snohomish County
- **Steve Reynolds**, Puget Sound Energy
- **Rich Riazzi**, Chelan PUD
- **Doug Sutherland**, WA Department of Natural Resources
- **Terry Uhling**, JR Simplot Company
- **Stefan Vogt**, Alcoa
- **Tayloe Washburn**, Foster Pepper
- **Terry Williams**, Tulalip Tribe
- **Lon Wyrick**, Thurston Regional Planning Council
- **Mary Verner**, City of Spokane

Appendix A: Beyond Waste Implementation Working Group - Draft Scope of Work

Co-Leads:

- Sejo Jackson, Snohomish County
- Jay Shepard, Department of Ecology

Goal:

To significantly expand source reduction, reuse, recycling and composting and build on what is best and most successful in the current waste management system by developing an implementation plan targeting products and organic materials with the largest GHG reduction potential. This action was identified by CAT/TWG as AW-3.

By recycling metals, paper, plastics and glass, by reducing the use of virgin materials and fossil energy in product manufacturing, and by reducing landfill gas emissions significant reductions in GHG generation can be made. [For example, using estimate of 2002 waste generation and recycling about 6 MMTCO_{2e} would have been avoided if all potentially compostable and recyclable materials that were disposed of in 2002 were recycled.]

It is neither likely nor realistic to assume that all materials will be recycled, due to issues such as contamination, composites, entropy, etc (see table X-13 in TWG AW-3). However, it is realistic to potentially recycle up to **80%** of all consumer related waste materials generated within Washington State by 2020. Recycling, reuse and source reduction create local businesses, local products, and green collar jobs, and can increase bioenergy potential.

Tasks: The Beyond Waste Implementation Working Group will build on existing source separation strategies and the Beyond Waste Plan implementation approaches. The group's charge will be to develop an implementation plan that considers actions that:

- Improve the collection and processing infrastructure needed to more effectively capture recyclable materials with the highest carbon footprint generated from industrial, commercial, agricultural and residential sources;
- Expand, recruit or develop in-state businesses that use recyclable materials in their manufacturing processes (including investment, financing and incentives);
- Remove organics from the disposal stream so that they can be beneficially used for healthy soils, bioenergy production and new products;
- Create product stewardship framework legislation applicable to consumer products focusing on the full product life-cycle including cradle-to-cradle design, material and energy content, manufacturing and end of life recycling/reuse;
- Determine actions to expand byproduct synergy, zero waste business practices, design for the environment and other emerging commercial activities;
- Review implementation of existing environmentally preferred purchasing policies and recommended new environmentally preferred purchasing policies to be used by state and local government entities, that will result in reduced GHG generation; and
- Support and expand consumer product reuse and related business activities.

The Beyond Waste IWG will produce by September 1, 2008:

- Draft text for legislation (e.g., product stewardship framework legislation) or executive action.
- Fiscal notes, if needed.
- Any other materials (e.g., tools to measure and monitor GHG reductions, education and outreach, and product labeling) necessary to implement the recommended actions.

Existing work that the IWG may draw from:

- AW-3 – “Significantly Expand Source Reduction, Reuse, Recycling and Composting” proposes goals by household and business waste sources, describes various implementation tools, related policies and programs, provides estimates of GHG savings, and key uncertainties
- Appliance and Lighting Product Recycling and Design, identified in RCI-10
- Ecology’s “Beyond Waste Plan”
- Ecology’s Solid Waste Annual Reports that include waste generation and recycling data
- Available waste composition studies
- Consumer Environmental Index study by Jeff Morris & Associates for Ecology 2007
- <http://www.ecy.wa.gov/pubs/0704033.pdf--report> from lean mfg pilot project
- Washington State Biomass Inventory

Connectivity to other efforts/legislation::

- Green Collar Jobs
- Green building – green and sustainable materials
- Consumer Education Programs, Including Labeling of Embodied Life-cycle Energy and Carbon Content of Products and Buildings (RCI-8)
- More Stringent Appliance/Equipment/Lighting Efficiency Standards (RCI-10)
- Agricultural activities related to bioenergy, use of organic soil amendments to sequester carbon and reduce other fertilizer, water and energy demands.
- Interagency Bioenergy Work Group
- Agriculture Sector Market-Based Workgroup

Additional Research/Technical Analysis Needs: Will be identified as scope is further defined.

Supporting Process and Membership: Under development.

Appendix B: Reducing Carbon in the Built Environment (Energy Efficiency and Green Buildings) Implementation Working Group – Draft Scope of Work

Co-Leads:

- Ash Awad – McKinstry
- Tony Usibelli, CTED

Goal: The Energy Efficiency and Green Buildings IWG will design legislative, executive, and other actions capable of achieving significant emission reductions in Washington’s built environment, both directly through reduced use of fossil fuel based energy as well as indirectly by reducing the use of GHG-intensive products and by reducing travel needs through improved community design. Given the long-lived nature of the built environment, building and community design decisions will also make a profound impact on Washington’s ability to meet its longer-term emission reduction goals. In developing policy proposals, this IWG will aim to strengthen energy efficiency and green building industries, and contribute to the clean energy job goals articulated in the Governor’s Climate Change Challenge.

Tasks: In 2007, the Residential, Commercial, and Industrial Technical Working Group (RCI TWG) identified actions capable of reducing GHG emissions by approximately 7 MMtCO₂e per year by 2020 and stimulating significant growth in clean energy jobs. The task before this IWG is to develop an implementation plan that is capable of turning a significant portion of that potential into policy. To this end, the IWG will develop draft legislation, executive orders, administrative and other state actions that target promising policy areas identified by the RCI TWG. Given both the timeline for developing implementation products and the range of possible strategies, the IWG will be asked to develop no more than three or four detailed proposals. Based to the magnitude of potential emissions savings, other associated benefits, and enthusiasm expressed by stakeholders during the RCI TWG and CAT process, the IWG should begin by considering the following options:

- **Targeted Incentives and Instruments to Encourage Green Building Practices and Energy Efficiency Improvements in New and Existing Buildings** (see RCI-2, as well as the incentives suggested under RCI-3 and RCI-4). This task will likely involve crafting legislation to create *a business energy tax credit*, or other targeted financial incentives and instruments to encourage energy efficiency in the development, design, and construction of new and existing energy-using building and building systems. The group should focus on identifying those incentives which are most likely to significantly influence energy efficiency and “green” actions. To the maximum extent possible, work undertaken as part of HB 3120, Incentives for Green Buildings, will be tied to this effort.
- **Regulatory and Educational Initiatives for Green Building Practices and Energy Efficiency Improvement in New and Existing Buildings** (see various initiatives suggested under RCI-3, RCI-4, and RCI-10). This task will involve developing enabling legislation or taking administrative action to promote advances in both the design and operation of buildings through *building code and efficiency standard enhancement (for the 2009 revision cycle)*, *point-of-sale (or rental or finance) requirements (for benchmarking,*

commissioning, performance standards, audits, upgrades, and/or labeling), and/or tools and support for considering life-cycle impacts and improving building operations.

- **Energy Efficiency Programs, Funds, or Goals for Natural Gas, Propane, and Fuel Oil** (see RCI-1). This task involves developing an initiative to address the non-electric side of the energy efficiency savings, and could, for instance, involve drafting legislation that adapts successful policies in electric energy efficiency to non-electric fuels.
- **Lost Opportunity Strategies.** The IWG would investigate whether there are other strategies not covered above, if not put into place soon, could “lock-in” higher emitting infrastructure, and thus could significantly reduce opportunities for, or increase the costs of large GHG reductions in the future. This might include such areas as policies/incentive for combined heat and power (CHP), or “green” education, training, and certification.
- **Land Use.** ESSB 6580 (GMA bill) sets up a process for looking at climate and land use issues. This IWG will not work on those issues, but will keep track of SB 6580 activities and products.

Over the course of the process, this IWG will:

- Describe (for the CAT to consider) the specific actions or programs necessary to meet the goal;
- Assess costs and benefits (both direct and indirect) of the action or program, and the tons of GHG reduction likely if implemented in greater depth as feasible;
- Determine any additional authority or fiscal support from the State needed to implement the strategy and support drafting preliminary legislation/fiscal notes as appropriate;
- Investigate any barriers to implementation and propose solutions or sequencing needed to address them;
- Respond to requests by the CAT for the development of alternative design scenarios or additional analysis.
- Draft for CAT review text for legislative or executive action.

The IWG will produce by September 1, 2008:

- Text for legislative or executive action.
- Fiscal notes, if needed.
- Any other materials necessary to meet the specific IWG task [if possible, identify what these might be in each IWG’s initial scope].

Existing work that the IWG may draw from:

- See RCI TWG report, especially for RCI-1 through RCI-4, and RCI-10, federal 2007 energy bill, and state and local green building programs, among others.

Connectivity to other efforts/legislation:

- Research activities required by HB 3120, Green Buildings Incentives – report to legislature due Dec 1, 2008
- ESSB 6580, GMA/Climate bill includes creation of committee and advisory groups, development of tools and resources, and possible pilot demonstration projects.

Additional Research/Technical Analysis Needs: Will be identified as scope is further defined.

Supporting Process and Membership: Under development.

Appendix C: Transportation Implementation Working Group – Draft Scope of Work

Co-Leads:

- Katy Taylor, Washington Department of Transportation
- Lon Wyrick, Thurston Regional Planning Council

Goal

The Transportation Implementation Work Group (IWG) will design legislative, executive branch, and/or other actions capable of achieving significant reductions in transportation-related greenhouse gas emissions in Washington State.

Greenhouse gas emissions from transportation account for nearly half of total emissions in Washington State. In 2007, the Climate Advisory Team recommended several strategies to reduce transportation greenhouse gas emissions in Washington State. Among these was a recommendation to establish goals for reducing VMT per capita. In March 2008, Washington State passed ESSHB 2815 which directs the Washington State Department of Transportation (WSDOT) to reduce vehicle miles traveled (VMT) per capita. The Transportation IWG will recommend tools and best practices to achieve these VMT reduction goals.

In addition, the Transportation IWG will also work to define and advance specific non-VMT transportation policy proposals for implementation, and/or identify specific steps, given the need for a scalable multi-pronged approach to address the climate impacts of the transportation sector. The work of the Transportation IWG on both these fronts will set the stage for both immediate and future work to significantly reduce transportation-related greenhouse gas emissions.

Tasks:

Actions taken by the Transportation IWG will implement or further advance strategies recommended by the Climate Advisory Team (CAT) in 2007 and steps already taken by Washington Department of Transportation (WSDOT), and regional and local planning organizations.

The charge to the Transportation IWG consists primarily of achieving the charge in Section 8 of ESSHB 2815 to develop a set of tools and best practices to assist state, regional and local entities in making progress towards meeting the VMT goals established: 18% VMT reduction by 2020, 30% reduction by 2035 and 50% reduction by 2050. The Transportation IWG will accomplish this through the following activities:

- a. Review strategies drafted by WSDOT and other partners and provide input on the following:
 - i. A compilation of best practices to reduce VMT.
 - ii. A summary of potential existing and new revenue options for local and regional governments to finance VMT reduction efforts.
 - iii. Recommended measurements tools and an evaluation of baseline, assumptions and targets.
- b. Evaluate and recommend specific policies to reduce VMT
 - i. Prioritize strategies for VMT reduction.

- ii. Prioritize strategies for funding VMT reduction strategies.
- iii. Assess the total VMT reductions achievable with the measures identified.
- iv. Determine policy needs - Determine if any additional legislative or executive action by the State is needed to implement the strategies and draft legislative text as appropriate.
- v. Determine fiscal needs - Determine if any additional fiscal support from the State is needed to implement the strategies and draft fiscal notes as appropriate.

In addition to the VMT work described above, this IWG will be asked, time-permitting, to review existing options for reducing non-VMT greenhouse gas emissions from transportation. To accomplish this, the IWG should review existing non-VMT transportation policies recommended by the CAT and strategies already underway in Washington, identify and prioritize opportunities for further action or implementation, and develop an action plan for how Washington will reduce non-VMT transportation-related greenhouse gas emissions. To the extent possible, the action plan should identify resources needed in 2009 to continue developing and implementing these actions.

The Transportation IWG will produce by Sept 1, 2008:

- Draft text for legislation or executive action and fiscal notes, if needed, for the activities described above.
- Develop any other materials necessary to implement the recommended actions, including an action plan for non-VMT strategies.

In developing its policy proposals, the Transportation IWG will:

- Consider the economic and non-economic costs and benefits of the strategies and impacts on small business, low income residents, agricultural employers and migrant workers, distressed rural counties, and counties with a high proportion of public and tribal land.
- Identify where contributions can be made to the clean energy job goals articulated in the Governor's Climate Change Challenge.

Existing work that the IWG may draw from:

The Transportation IWG can build off of transportation strategies recommended by the Climate Advisory Team (CAT) in 2007 in designing legislative, executive branch, and/or other actions capable of achieving significant reductions in transportation-related greenhouse gas emissions in Washington State.

With regards to VMT activity specifically, the Transportation IWG should refer to policy option T-2, *State, Regional, and Local VMT and GHG Reduction Goals and Standards*, which established the VMT reduction targets and schedule subsequently adopted in Section 8 of 2815, and identifies policy options to contribute to meeting these goals. Other options such as T-1, *Transit, Ridesharing, and Commuter Choice Programs*, T-3, *Transportation Pricing*, and T-9, *Transportation System Management* are also aimed at VMT reduction.

WSDOT and others are already engaged in several of the VMT and non-VMT strategies the Transportation IWG is likely to consider. For example, WSDOT's new initiative *Moving Washington* focuses on adding capacity strategically, managing demand and operating efficiently. These three elements all have the potential to help reduce VMT. WSDOT has several ongoing programs focused on reducing VMT such as the commute trip reduction program that will be relevant to developing additional strategies or refining existing work. Regional transportation planning organizations are also doing substantial work to reduce VMT. These efforts will also need to be connected to the work of the Transportation IWG. The Transportation IWG should also document where possible (identified in the sub-tasks, above), and build off of these existing activities.

Connectivity to other efforts/legislation:

- WSDOT will accomplish the following related to the work of the Transportation IWG:
 - Develop communications tools that will clearly convey the benefits and costs of implementation of individual strategies and the composite set of strategies necessary to achieve the VMT per capita reduction targets.
 - Monitor strategies designed to reduce GHG emissions within transportation and determine a process to evaluate the share of investments that should be made for strategies targeted on reducing VMT and strategies for reducing GHG emissions.
 - Report to the legislature annually in coordination with Department of Ecology and the Department of Community Trade and Economic Development on the progress being made to achieve the GHG emissions reduction targets.

- *ESSB 6580, Addressing the impacts of climate change through the Growth Management Act*: Section 2 of ESSB 6580 directs the Department of Community Trade and Economic Development to work with the WSDOT to reduce VMT through land use modeling and planning strategies. This IWG will not work on those issues, but will keep track of ESSB 6580 activities and products.

Additional Research/Technical Analysis Needs: Will be identified as scope is further defined.

Supporting Process and Membership: Under development.

Appendix D: SEPA Implementation Working Group - Draft Scope of Work

Co-Leads:

- Jim Lopez, King County
- Dick Settle, Foster Pepper

Goal: The purpose of the SEPA working group is to provide a forum for members of the Climate Advisory Team and other stakeholders and government representatives to develop recommendations to ensure that consideration of climate change is included in the State Environmental Policy Act processes and documents. The recommendations would clarify how, where, and when to best address climate change in the state and local governments (referred to as agencies) SEPA processes.

SEPA requires agencies to act “to the fullest extent possible” when assessing the environmental impact of a proposed action. The current SEPA rule includes “climate” as an element that can be addresses in environmental review. SEPA requires the analyses of the impacts **from** potential Greenhouse gas emissions resulting from governmental actions (e.g., land use plan) and public or private projects and the impacts **of** climate change on governmental actions and public and private projects.

Tasks: There is currently no guidance on how to address climate change. Ecology has expressed its intent to revise and clarify the SEPA rules, including the environmental checklist and provide guidance on the topic. The SEPA working group will focus on the following topics:

- 1) What is needed to incorporate climate change considerations into the environmental review of project or non-project actions?
- 2) What information (guidance?) can be provided to help agencies quantify and analyze the impacts of greenhouse gas emissions from their actions, as well as the impact of climate change on their actions?
- 3) What guidance should be provided to agencies and project applicants to determine possible mitigation for the effects of the proposal on climate, as well as the impacts of climate change on the proposal?
- 4) What guidance should be provided to agencies and local governments to help determine when substantive SEPA authority might impact the approval or placement of conditions on projects?
- 5) What is needed in terms of SEPA rule amendments, including possible changes to the environmental checklist, threshold determination and/or Environmental Impact Statements?

The SEPA working group will produce:

- Guidance/ instruction to agencies on how, where and when to identify, quantify, evaluate and mitigate impacts of GHG emissions from actions and projects and impacts of climate change on proposed actions/projects.
- Recommended changes to the SEPA rules, and draft amendment language.

Ecology intends to file the draft rule amendment with the state Code Reviser by January 2009, with adoption by May or June 2009

Existing work that the IWG may draw from:

- With the passage of ESSB 6001 ‘Climate change – Mitigating Impacts’, and E2SHB 2815 ‘Creating Framework for Reducing Greenhouse Gases Emissions in the Washington Economy’ the legislature acknowledged the environmental impacts of climate change and directed the State to reduce WA’s contribution to greenhouse gas emissions.
- The Climate Advisory Team (CAT) and the Technical Working Groups (TWGs) recommended that SEPA be used as a tool for identifying greenhouse gas emissions and mitigation options in decision making, planning processes, and development projects.
- The Preparation and Adaptation Working Groups (PAWGs) recommended that SEPA be used to analyze and address the impacts of climate change on governmental actions and public and private projects.
- Director Manning’s Letter to lead Agencies
- Across the nation many states and local governments are developing environmental policies, regulations and guidance to address climate change through their SEPA like statutes. Some of these actions arose from court challenges. Ecology has determined it is in everyone’s best interests to act now to avoid a “policy by litigation” scenario in WA state.

Additional Research/Technical Analysis Needs: Will be identified as scope is further defined.

Supporting Process and Membership: Under development.