



STATE OF WASHINGTON  
DEPARTMENT OF COMMUNITY,  
TRADE AND ECONOMIC DEVELOPMENT

# Washington Climate Challenge

Climate Advisory Team

Meeting #6

November 15-16, 2007

WA Departments of Ecology (Ecy) and  
Community Trade & Economic Development (CTED)  
Center for Climate Strategies  
Ross & Associates

# Day 1 Agenda

**November 15, 9:00 a.m. – 5:00 p.m.**

- **Welcome and Agenda Review**
- **Status of the CAT and What's to Come**
- **Developing the Suite of Sector-Specific Strategies**
  - Energy Supply
  - Agriculture
  - Forestry
- **Developing Washington's 'Comprehensive Climate Approach'**
  - Potential 'Directional' Elements
  - Updates on Regional and National Efforts
  - Further Consideration of the Role of Markets
  - SEPA
  - Greenhouse Gas Emissions Reporting
  - Preparing the Workforce
  - Financing
- **Public Comment**

# Day 2 Agenda

**November 16, 8:00 a.m. – 3:30 p.m.**

- **Welcome and Day 1 Recap**
- **Continuing to Develop Washington’s ‘Comprehensive Climate Approach’**
- **Continuing to Develop the Suite of Sector-Specific Strategies**
  - Transportation
  - Residential, Commercial & Industrial
- **Putting It All Together**
  - Matrix, Cross-Walk, CAT Decision-Making
  - Fuels and Jobs Goals Analysis
  - Integrating PAWG and CAT work
  - Public Education and Outreach
  - Preparing the Final Report
  - Next Steps
- **Public Comment**

# Developing the Suite of Sector-Specific Policy Options

## Nov 15-16 CAT Meeting:

- CAT review of the remaining 37 TWG policy options
  - Overall policy design and draft analysis (where relevant) are established and agreed by the TWG
  - CAT is asked to review the option, and
    - Affirm, subject to specific agreed revisions if indicated, or
    - Identify specific barriers to consensus, and provide guidance to the TWGs
- Direct staff on how to fill in a matrix in the manner most helpful for the CAT
  - Matrix will function as a high-level guide to all of the options along with key considerations
- Suggest an approach for identifying key cross-cutting issues
  - A cross-walk can be developed that identifies cross-sector issues, touch points with elements of the Comprehensive Approach, synergy with PAWG recommendations, and other elements

## **Between now and December 4-5:**

- TWGs meet to respond to any requests from the CAT for clarification, revisions or refinements
- Staff will fill in the matrix in the manner most helpful for the CAT and cross-walk options

## **December 4-5 CAT Meeting:**

- CAT will look across the full cross-walked set of options and bundle, prioritize, or otherwise decide on which options to recommend

## **January 25 CAT Meeting**

- The CAT will review and approve the final report, which includes the suite of recommended sector-specific options

# CAT Decision-Making

- The process will seek, but not mandate consensus
- Today: Decisions on individual policy options are conducted by a simple request for objection at the point of decision
  - Issues on individual policy options are resolved through discussion and development of alternatives, as needed
  - Continuing the approach used October 4
- December 4-5: Preliminary decisions on the draft package
- January 25: Final report will document level of support for CAT recommended options, including alternative views as needed

# Technical Working Group Briefings

## Presentation by TWG leads:

- Update on recent TWG meetings and activities
- Overview of remaining options ready for CAT review
  - Energy Supply – 4 options out of 7 for review
  - Agriculture – 7 options out of 8 for review
  - Forestry – 8 options out of 8 for review
  - Transportation – 10 options out of 12 for review
  - RCI - 5 options out of 10 for review
- Provide a brief status report on any other options not discussed in detail

## CAT member response:

- Provide input and guidance as necessary
- Decide the path forward for each remaining option

# Reminder: Quantification Guidelines for Quantifiable TWG Policy Options

- Consistent and transparent data sources, assumptions and methodologies
  - Account for GHG benefits directly linked to policy options; some may occur out-of-state (e.g. recycling, biofuels, electricity imports)
  - Avoid double-counting through integrated analysis where relevant (analysis of option overlaps is currently underway)
- Common units and results
  - Net GHG reduction potential in the years 2012 and 2020, cumulatively 2008-2020
  - Net present value (NPV) cost (or savings) 2008-2020, 5% real discount rate
  - Cost per metric ton of CO<sub>2</sub> equivalent emissions reduced (or removed)

# Quantification Guidelines, cont.

## ■ Cost analysis

- Direct NPV cost or cost effectiveness analysis, as widely applied to GHG mitigation policy, using a state-wide cost perspective
- Capital (equipment), operation and maintenance, fuel and materials, administrative costs (where readily estimated)
- Qualitative assessment of other benefits and costs where information available:
  - Environmental/health/social impacts, improved road safety, energy security benefits, etc.
  - Macroeconomic impacts, e.g. of reduced or increased consumer spending
  - Distribution of cost and benefits among actors in the economy

# Quantification Updates

- Option quantifications will be updated with the following assumptions:
  - Electricity avoided costs are now \$64/MWh, not \$44/MWh
    - Unanimous Energy Supply TWG input
    - Major impacts on the benefits of electricity-related options

# Energy Supply TWG

#	Mitigation Option Name	Status
<b>ES-1</b>	<b>Grid-based renewable energy incentives and/or barrier removal</b>	<b>Ready for CAT Review</b>
ES-2	Distributed renewable energy incentives and/or barrier removal	Reviewed 10/4
<b>ES-3</b>	<b>Efficiency improvements at existing renewable and power plants</b>	<b>Ready for CAT Review</b>
ES-4	Technology Research & Development, plus Technology-Focused Initiatives	Reviewed 10/4
<b>ES-5</b>	<b>CCSR (including pre and post-combustion) incentives, requirements and/or enabling policies plus R&amp;D</b>	<b>Ready for CAT Review</b>
<b>ES-6</b>	<b>Transmission system capacity, access, efficiency, and Smart Grid</b>	<b>Ready for CAT Review</b>
ES-7	Combined Heat and Power (CHP) and Thermal Energy Recovery and Use	Reviewed 10/4

# Agriculture TWG

#	Mitigation Option Name	Status
AW-1	<b>Manure Digesters/Other Waste Energy Utilization</b>	<b>Ready for CAT Review</b>
AW-2	<b>In-State Production of Biofuels and Biofuels feedstocks</b>	<b>Ready for CAT Review</b>
AW-3	Significantly Expand Source Reduction, Reuse, Recycling and Composting	Reviewed 10/4
AW-4	<b>Agricultural Carbon Management</b>	<b>Ready for CAT Review</b>
AW-5	<b>Agricultural Nutrient Management</b>	<b>Ready for CAT Review</b>
AW-6	<b>Reductions In On-Farm Energy Use and Improvements in Energy Efficiency</b>	<b>Ready for CAT Review</b>
AW-7	<b>Preserve Open Space/Agricultural Land</b>	<b>Ready for CAT Review</b>
AW-8	<b>Support for an Integrated Regional Food System</b>	<b>Ready for CAT Review</b>

# Forestry TWG

#	Mitigation Option Name	Status
<b>F-1</b>	<b>Improved Forest Health</b>	<b>Ready for CAT Review</b>
<b>F-2</b>	<b>Reduced Conversion to Nonforest Cover</b>	<b>Ready for CAT Review</b>
<b>F-3</b>	<b>Enhanced Carbon Sequestration in Forests</b>	<b>Ready for CAT Review</b>
<b>F-4</b>	<b>Enhanced Carbon Sequestration in Harvested Wood Products</b>	<b>Ready for CAT Review</b>
<b>F-5</b>	<b>Expanded Use of Wood Products for Building Materials</b>	<b>Ready for CAT Review</b>
<b>F-6</b>	<b>Expanded Use of Biomass Feedstocks for Electricity, Heat and Steam Production</b>	<b>Ready for CAT Review</b>
<b>F-7</b>	<b>Improved Commercialization of Advanced Lignocellulosic Processes (hydrolysis, gasification, pyrolysis or other)</b>	<b>Ready for CAT Review</b>
<b>F-8</b>	<b>Urban and Community Forests</b>	<b>Ready for CAT Review</b>

# Developing a ‘Comprehensive Climate Approach’

- Both individual strategies and broader economy-wide ‘signals’ will be needed for the emission reduction goals to be achieved
- Building blocks of the ‘Comprehensive Climate Approach’ for Washington include:
  - Suite of sector-specific strategies
  - Directional recommendations about the use of market mechanisms as instruments to help ensure that emissions reductions goals are achieved
  - Descriptions of the functions government should fulfill as the Approach is institutionalized and implemented over time
  - Identification of tools, resources and authorities needed to implement and perform these functions; and
  - Explanations of some of the substantive economic opportunities within Washington’s economy that are enhanced by this Approach

# Developing a 'Comprehensive Climate Approach', cont.

- Potential 'directional' elements include:
  - Sustain the commitment
  - Be faster and smarter
  - Use market-based approaches with performance standards where possible
  - Continue to collaborate regionally through Western Climate Initiative and The Climate Registry
  - Develop GHG emissions reporting
  - Support innovation by Washington companies and workforce
  - Make necessary changes to SEPA
  - Create and support appropriate regulatory and analytic infrastructure
  - Provide ongoing education to the public and actively engage them in GHG reduction efforts
  - Continue policies and actions to reduce the state government's own GHG emissions
  - Others?

# Themes and Observations: Sustain the Commitment

- Any comprehensive approach to meeting the challenges and opportunities presented by global warming requires the sustained commitment to:
  - Continue learning about what needs to be done;
  - Adapt based on what lessons have been learned over time; and
  - Acknowledge that reducing sufficient greenhouse gas emissions and adjusting to the impacts of climate change will be a long-term effort

# Themes and Observations: Be Faster and Smarter

- Implement strategies as quickly as possible while being intelligent about what is being put in place:
  - Washington should implement strategies that reduce the impacts of climate change as quickly as possible in a manner that is as effective and efficient as possible
  - The legislature and the Governor should make “faster and smarter” a priority as they strike a balance between the unavoidable tension that arises between moving forward and waiting until additional information is available

# Themes and Observations:

## Use Market-based Approaches Where Possible

- Market-based approaches are preferred when implementing economy-wide strategies to reduce greenhouse gas emissions
- They complement other reduction strategies; they are not an either/or
- Market-based approaches should:
  - Stimulate and support the investments, business practices and behavioral changes needed to reduce GHG emissions;
  - Avoid creating artificial financial windfalls within and across sectors and between producers and consumers; and
  - Be directed at performance goals and thus be as technology-neutral as possible

# Themes and Observations: Continue to Collaborate Regionally

- The regional and collaborative approach being taken by Washington to develop a cap-and-trade mechanism through the Western Climate Initiative represents significant potential
  - The State should continue to play a leading role in its successful development

# Themes and Observations: Develop GHG Emissions Reporting

- To prepare for using markets to support GHG emissions reductions, the State should develop an appropriate emissions reporting system that can:
  - Support emissions trading
  - Document early voluntary reduction actions
  - Enable the potential pursuit of verifiable offsets
  - Track progress towards meeting the reduction goals
- Using The Climate Registry appears to be a cost-effective way to help accomplish these goals

# Themes and Observations: Invest in Washington Companies and Workforce

- To prepare Washington's companies and workforce to take advantage of opportunities in the low-carbon economy, the State should
  - Support research into promising technological solutions
  - Invest in worker training and education

# Themes and Observations: Make necessary changes to SEPA

- Changes to SEPA implementation necessary to incorporate climate change considerations into resource and development planning and to support emissions reductions should be made.

# Themes and Observations:

## Create and Support Appropriate Regulatory and Analytic Infrastructure

- The State should create and support the appropriate regulatory and analytic infrastructure needed to understand, track and implement these recommendations. In particular, the State should:
  - Commit sufficient resources to understand how to best integrate the cap-and-trade program being designed by the Western Climate Initiative and viable congressional proposals into Washington's overall economy.
  - Commit sufficient resources to further develop the recommendations from the Climate Change Challenge process, support education and public outreach, and begin to incorporate climate considerations into state operations.

# Regional Efforts – Western Climate Initiative (WCI)

- WCI Initial design issues are now available for comments
  - Available online: [www.westernclimateinitiative.org/](http://www.westernclimateinitiative.org/)
  - Submit written comments by COB November 30, 2007
- Outreach and communication with stakeholders is being conducted
  - Regional teleconferences are ongoing
    - December 6, 2007 at 2:00 p.m.
    - March 6, 2008 at 2:00 p.m.
  - Regional workshops planned with interested stakeholders
    - January 2008 in Portland, OR: Discuss major options under consideration
    - May 2008: Discuss subcommittee recommendations
    - July 2008: Discuss proposed design
  - State stakeholder outreach is also ongoing
    - The State is particularly interested in Washington-specific concepts or ideas on design issues

# Input Sought into WCI Program Design

## Examples of design questions:

- **Program Scope and Timing**
  - E.g. What sectors and gases should be covered by the cap-and-trade program, and within each covered sector, what point of regulation is most appropriate?
- **Setting Cap Level(s), Scheduling Reductions & Distributing Allowances**
  - E.g. How should the initial emissions cap (s) for the cap-and-trade program be established at the regional, state and provincial and/or sectoral levels, and what schedule of reductions should be set?
- **Offsets**
  - E.g. How do offsets fit into the cap-and-trade design?
- **Other Flexibility and Cost-Containment Mechanisms**
  - E.g. What are the pros and cons of allowance banking?
- **Emissions and Allowance Data, Monitoring, Reporting and Tracking**
  - E.g. How should emissions, allowances, and offsets be measured, monitored, reported and/or tracked by the program?
- **Miscellaneous Issues**
  - E.g. How should the cap-and-trade program be designed to enhance the benefits from complementary policies in the Partner jurisdictions?

# WCI 2008 Timeline and Milestones

- January 2008
  - Subcommittees describe major options under consideration
- May 2008
  - Subcommittee recommendations on key elements of regional cap-and-trade program
- July 2008
  - Proposed design of regional cap-and-trade program
- August 2008
  - Partners release design recommendations for a regional cap-and-trade program
- August – December 2008
  - Work with stakeholders on implementation issues
- December 2008
  - Report on WCI design and implementation requirements submitted to WA Governor and Legislature

# Regional Efforts – The Climate Registry (TCR)

- TCR Draft General Reporting Protocol is now available for comments
  - Available online: [www.theclimateregistry.org](http://www.theclimateregistry.org)
  - Submit written comments by COB November 30, 2007
- General Reporting Protocol is divided into three parts
  - Part I: goals and principles of TCR and basic reporting requirements such as frequency of reporting and third-party verification
  - Part II: guidance on the specific data that must be reported and how that data is to be categorized and consolidated
  - Part III: methodologies approved by TCR for quantifying emissions from various sources
  - Appendices A-L: guidance on TCR-approved methodologies for determining emissions from twelve specific industry sources

# TCR Reporters

- Currently 39 U.S. States, 4 Canadian Provinces (with all 13 committed to join), 3 American Indian Tribes, and the Mexican State of Sonora have joined The Climate Registry
- Washington is seeking voluntary reporters to join TCR
  - Teleconference briefing on TCR held November 5, 2007 about TCR, its accounting standards and how interested companies can participate
  - Organizations that join before The Climate Registry's formal launch in January 2008 will be featured in a national press campaign
  - Once reporters complete a Statement of Intent Form (available on the Registry's website) and pay a fee, they are eligible to report
- The WCI Reporting Subcommittee and Ecology are looking at how to ensure consistency with The Climate Registry
  - All WCI partners have joined The Climate Registry

# National Efforts –America’s Climate Security Act of 2007 (S. 2192)

- Ninth bill introduced in the Senate since the start of 2007 to cut GHG emissions
  - October 18 - Introduced by Senators Joe Lieberman (I-CT) and John Warner (R-VA)
  - November 1 - Subcommittee on Private Sector and Consumer Solutions approved the bill, and recommended it to the full Environment and Public Works Committee
- Caps GHG emissions from electric utility, transportation fuels, and industrial manufacturing:
  - Between 2005 and 2012: The bill caps emissions at 2005 levels (estimated at 5200 million metric tons of CO2 equivalent)
  - Between 2012 and 2020: Further reductions of 2 percent per year should result in a 15% reduction below 2005 levels by 2020
  - Between 2020 and 2050: Emissions should be reduced by 70% by 2050
- Establishes a nationwide cap-and-trade program
- Provides transition assistance to companies and individuals
  - \$350 billion in assistance for low- and middle-income families through 2030 from programs such as the Low Income Weatherization Assistance Program.
  - \$500 billion through 2030 for investments in zero- and low-carbon technologies

# Further Consideration of the Role of Markets

- What does the CAT wish to say about the role of markets in supporting efforts to transform the economy?
  - Already proposed:
    - Use market-based approaches where possible
  - Others?
- What are key components to market-based approaches?
  - Already proposed:
    - Stimulate and support the investments, business practices and behavioral changes needed to reduce GHG emissions;
    - Avoid creating artificial financial windfalls within and across sectors and between producers and consumers; and
    - Be directed at performance goals and thus be as technology-neutral as possible
  - Others?

# State Environmental Policy Act (SEPA)

- SEPA requires state and local agencies to consider the likely environmental consequences of a proposal before approving or denying the proposal
- Climate change is already identified as an “element of the environment” that must be assessed for impact, but how to do that is not included
- Any governmental action .....may be conditioned or denied under SEPA to mitigate the environmental impact;  
*"Decision to require mitigation is discretionary"*

# Climate Change and SEPA: Proposed Approach

## Step 1 (interim) – Jan 2008

- Letter from Ecology Director to state and local agencies:
  - Clarify SEPA requirements to identify and analyze climate change impacts
  - Sharing existing science for quantifying emissions
  - Share existing approaches to mitigation from other states

## Step 2 (longer term) – starting in Jan 2008

- Begin process to amend SEPA rules
  - Amend the checklist to better address climate change
- Develop state guidance on impact analysis and identifying effective mitigation

# Greenhouse Gas Emissions Reporting

- Ensuring emissions releases and reductions are measured is critical to any GHG reduction program, regardless of policy instrument, whether state-only, regional, or federal
  - Regulatory required emissions reporting will be needed as a component of any C&T program
  - Critical if there is credit given for early voluntary actions
- Ecology is working with stakeholders on drafting legislation for the 2008 Legislature to mandate greenhouse gas emissions reporting
- “Total Greenhouse Gas Emissions” will be reported
  - All direct emissions that are owned or controlled by the person required to report including stationary combustion emissions, mobile combustion emissions, process emissions and fugitive emissions, and all indirect emissions associated with the purchase of electricity, heating, cooling or steam

# Key Elements of Draft GHG Emissions Reporting Legislation

- Annual reporting required for
  - i) operations that emit at least twenty-five thousand metric tons of greenhouse gases annually in the state; or
  - ii) motor vehicle operation that emit at least twenty-five hundred metric tons.
  - The department may amend the rules to include other persons that emit less than these two limits
- Indirect emissions are not used to calculate emission limits to determine whether or not a person must report
- Approach is phased-in, allowing time for all to learn
- Reporting will be either to The department or to a GHG registry, such as The Climate Registry
  - GHG emissions will not be reported to local air agencies in order to allow for the management of a state-wide cap but reported emissions will be shared with them

# Preparing the Workforce

- What recommendations, if any, does the CAT wish to make about preparing Washington's workforce for a carbon-constrained economy?
  - Approaches for creating and sustaining “green collar” jobs
    - Education
    - Training
  - Key considerations
- Directional recommendations to maximize jobs beyond those envisioned from the TWG options
  - Attracting more energy technology development and manufacturing to the state enables more jobs to be generated from CAT/TWG initiatives
  - Jobs in existing Washington clean energy industries can be enhanced by increasing the regional and international demand for WA products

# Financing Incentives

- What direction, if any, does the CAT want to give about the need for and approaches for providing appropriate funding support for incentives to stimulate behavioral changes?

# Emerging Directional Guidance and Recommendations

- What key elements of the ‘Comprehensive Climate Approach’ have emerged?
  - Continuing to articulate and refine guidance and recommendations

# Day 1 Recap and Looking Ahead to Day 2

- Continuing to Develop the Suite of Sector-Specific Strategies
- Continuing to Develop Washington's 'Comprehensive Climate Approach'
- Putting It All Together

# Public Comment

**For more information  
and to submit written comments:  
[www.ecy.wa.gov/climate change](http://www.ecy.wa.gov/climatechange)**

# Day 2 Agenda

November 16, 8:00 a.m. – 3:30 p.m.

- **Welcome and Day 1 Recap**
- **Continuing to Develop Washington’s ‘Comprehensive Climate Approach’**
- **Continuing to Develop the Suite of Sector-Specific Strategies**
  - Transportation
  - Residential, Commercial & Industrial
- **Putting It All Together**
  - Matrix, Cross-Walk, CAT Decision-Making
  - Fuels and Jobs Goals Analysis
  - Integrating PAWG and CAT work
  - Public Education and Outreach
  - Preparing the Final Report
  - Next Steps
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# Continued Consideration of a 'Comprehensive Climate Approach'

- Potential elements of a Comprehensive Climate Approach for Washington
  - Emerging directional guidance and recommendations
- The Approach in light of TWG options reviewed thus far

# Transportation TWG

#	Mitigation Option Name	Status
<b>T-0</b>	<b>New Funding Mechanisms</b>	<b>Ready for CAT Review</b>
<b>T-1</b>	<b>Transit, Ridesharing, and Commuter Choice Programs</b>	<b>Ready for CAT Review</b>
<b>T-2</b>	<b>State, Regional, and Local VMT Reduction Goals and Standards</b>	<b>Ready for CAT Review</b>
<b>T-3</b>	<b>Transportation Pricing</b>	<b>Ready for CAT Review</b>
<b>T-4</b>	<b>Promote Compact and Transit-Oriented Development</b>	<b>Ready for CAT Review</b>
<b>T-5</b>	<b>Quantification of GHG Impacts of Transportation Plans, Programs, and Projects</b>	<b>Ready for CAT Review</b>

#	Mitigation Option Name	Status
<b>T-6</b>	<b>Improvements to Freight Railroads and Intercity Passenger Railroads</b>	<b>Ready for CAT Review</b>
<b>T-7</b>	<b>Diesel Engine Emission Reductions and Fuel Efficiency Improvements</b>	<b>Ready for CAT Review</b>
<b>T-8</b>	<b>Local Transportation Financing Tools and Bicycle and Pedestrian Infrastructure Improvements</b>	<b>Ready for CAT Review</b>
<b>T-9</b>	<b>Transportation System Management</b>	<b>Ready for CAT Review</b>
T-10	Actions to Accelerate and Integrate Plug-In Hybrid Electric Vehicle Use	Reviewed 10/4
T-11	Low Carbon Fuel Standard	Reviewed 10/4
<b>T-12</b>	<b>Zero Emission Vehicle Standard and Low-GHG Refrigerants</b>	<b>Ready for CAT Review</b>

# Residential, Commercial & Industrial TWG

#	Mitigation Option Name	Status
RCI-1	Demand-Side Management (DSM) Energy Efficiency Programs, Funds, or Goals for Natural Gas, Propane, and Fuel Oil	Reviewed 10/4
RCI-2	Targeted Financial Incentives and Instruments to Encourage Energy Efficiency Improvements (Business Energy Tax Credit and Private/Public Efficiency Funds)	Reviewed 10/4
RCI-3	<b>Promotion and Incentives for Improved Community Planning and Improved Design and Construction (Third-party Sustainability, Green, and Energy Efficiency Building Certification Programs) in the Private and Non-State Public Sectors</b>	<b>Ready for CAT Review</b>
RCI-4	<b>Energy Efficiency Improvement in Existing Buildings, with Emphasis on Building Operations</b>	<b>Ready for CAT Review</b>
RCI-5	Rate structures and Technologies to Promote Reduced GHG Emissions (including Decoupling of Utility Sales and Revenues)	Reviewed 10/4

#	Mitigation Option Name	Status
RCI-6	Provide Incentives to Promote and Reduction of Barriers to Implementation of Renewable Energy Systems	Prepared jointly with ES TWG – Reviewed 10/4
RCI-7	Provide Incentives and Resources to Promote and Reduction of Barriers to Implementation of Combined Heat and Power (CHP, or “cogeneration”) and Waste Heat Capture, Including Net-metering for Combined Heat and Power	Prepared jointly with ES TWG -- Reviewed 10/4
RCI-8	Consumer Education Programs, Including Labeling of Embodied Life-cycle Energy and Carbon Content of Products and Buildings	Reviewed 10/4
<b>RCI-9</b>	<b>Identify GHG Emissions Impacts and Measures to Avoid, Minimize, or Mitigate them for Projects Requiring Government Review, and in Designing Government Rules and Regulations</b>	<b>Ready for CAT Review</b>
<b>RCI-10</b>	<b>More Stringent Appliance/Equipment/ Lighting Efficiency Standards, and Appliance and Lighting Product Recycling and Design</b>	<b>Ready for CAT Review</b>
<b>RCI-11</b>	<b>Policies and/or Programs Specifically Targeting Non-energy GHG Emissions</b>	<b>Ready for CAT Review</b>

# Putting It All Together

- CAT decision-making
  - Compiling the complete suite of recommended sector-specific strategies
  - Assessing sector-specific strategies in aggregate
    - Use of a matrix and cross-walk
    - Integrated TWG analysis will highlight important cross-TWG intersections
  - Considering assumptions and constraints
    - Basis for the recommendations
    - Underlying strengths and limitations of the supporting analysis
  - Identifying early action options
    - Description of potential early budget and/or legislative recommendations and placeholder bills for the 2008 session

# Initial State Criteria for Identifying Possible Early Actions

Criteria used to select possible early actions:

- A high degree of certainty that the issue will be in play anyway,
- The recommendation can be done relatively easily,
- The system is already in place or it is needed in order to advance something else, and
- Moving ahead now would avoid an immediate lost opportunity or take advantage of a targeted opportunity.

# State Suggested Possible Early Actions

- Business energy tax credits (RCI-2)
- Combined heat and power (promote and remove barriers) (RCI-7)
- Manure digesters (AW-1)
- Plug in hybrids (accelerate and integrate use) (T-10)
- Carbon capture and storage (focus on requirements and enabling policies) (ES-5)

# Emissions Inventory and Forecast Update

- Updates to the Emissions Inventory and Forecast
- Executive Order goals in light of these updates
- Next steps for the inventory and forecast in the CAT process
- Next steps for the inventory and forecast in Washington

# Fuels Goal Analysis

- "By 2020, reduce expenditures by 20% on fuel imported into the state by developing Washington resources and supporting efficient energy use" (E.O.)
  - "reduce" means reduce relative to expenditures that would have occurred absent policies and actions implemented in relation to this Executive Order;
  - "expenditures" means end-consumer spending;
  - "fuel" means coal, petroleum, natural gas and biomass fuels, EXCEPT such fuels consumed in Washington State for the production of electricity.
- Jobs and fuels analyses will be based on integrated analysis of TWG strategies (e.g. total amount of biofuels produced, total amount of gasoline/diesel displaced)

# Jobs Goal Analysis

- “By 2020, increase the number of clean energy sector jobs to 25,000 from the 8,400 jobs we had in 2004.” (E.O)
- Washington clean energy sector jobs have been inventoried twice
  - 1997 study found 3,802 jobs in fourteen subsectors; 2004 study found 8,373 jobs in ten sub-industries covering renewable energy, “smart” energy, and energy efficiency
- For consistency, clean energy sector is as defined by 2004 report
  - Note that definition counts neither indirect jobs supporting these sub-industries nor direct jobs from many of the agriculture, forestry and transportation policy options
- Projecting impacts is a different exercise than inventorying existing jobs
  - Data limitations and methodological challenges argue for simple approaches based on historical a) jobs per \$ revenue by sector and b) jobs per level of activity (e.g. biofuel production)
  - Both approaches consider only jobs created by “in-state” demand

# Jobs Goal Analysis, cont.

- CAT/TWGs may wish to identify policy options with high jobs potential
- CTED will continue work in 2008
  - To enhance job creation potential of CAT suite of policy options
  - To create a system for clean energy job identification and tracking together with Employment Security Department

# Preparation/Adaptation Working Groups Update

- PAWGs are finalizing priority recommendations, including actions around:
  - Emergency preparedness
  - Development/enhancements to surveillance and notification systems
  - Integrating climate change issues into resource planning, including GMA and SEPA
- Cross-cutting recommendations as well as additional research needs will also be identified
- PAWGs will complete their draft reports November 16
- Integrating PAWG and CAT work
  - Development of a cross-walk between CAT and PAWG recommendations
  - Final draft PAWG recommendations will be presented for public review and comment with the CAT recommendations in mid-December
  - PAWG recommendations will be included in the final Executive Order report

# Education and Engagement

- Conducted summits with climate educators and interested stakeholders in Seattle and Spokane
- Nearly 50 people worked together to identify target audiences, avenues to reach audiences, current education opportunities, and gaps
- Draft recommendations distributed to summit attendees and TWG and PAWG members for comment and refinement by Nov 17
- Updated recommendations will be distributed after Nov 17 to CAT for review
- Education and engagement recommendations will be included in final Executive Order report

# Drafting and Finalizing the CAT Report

- Executive Summary (content in development)
- CAT Process Background, Purpose And Goals (ready to go)
- Comprehensive Climate Approach (content in development)
  - Key directional recommendations
- Integrated output of the collective sector-specific strategies (content in development)
  - Overall emissions savings, progress towards fuels and jobs goals, cost impacts
  - Overall assumptions and constraints
- Key Sector Findings and Strategies (content in development)
  - For each sector:
    - Background and key issues in Washington
    - Description of quantification methods/analysis/assumptions
    - Key actions and recommendations
- Appendices (ready to go)
  - Membership and process info
  - Emissions inventory and forecast
  - Actions already taken in WA
  - TWG Analysis, Technical Information and Policy Option Templates

# Timeline for the Remaining Process

## Between November 15-16 and December 4-5

- Final TWG meetings
  - Integrate CAT feedback and respond to any requests from the CAT for clarification, revisions or refinements of policy options
- Staff compiles matrix and cross-walk of still viable options
- Begin drafting final report pieces as directed by the CAT

## December 4-5: CAT Meeting #7 (Seattle)

- Bundle, prioritize or otherwise decide on which still viable TWG options to recommend as a complete package using the detailed policy option templates, the master matrix and a cross-walk
- Review and discuss cross-cutting issues and cumulative impacts of options on the Executive Order goals
- Converge around key directional statements about what the 'Comprehensive Climate Approach' should accomplish for Washington and key draft recommendations
- Review final report outline, progress and plans

## Between December 4-5 and January 25

- Draft CAT and PAWG recommendations released for public comment when available
- Continue drafting final report with CAT input and comment-drafts sent to CAT members for written review; final report sent out to CAT prior to the January 25<sup>th</sup> meeting.

## January 25: CAT Meeting #8 (Olympia)

- Review and approve final report

# Public Comment

**For more information  
and to submit written comments:  
[www.ecy.wa.gov/climate change](http://www.ecy.wa.gov/climatechange)**