

Welcome

Moderators

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Presenting today:

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Special Assistant to the Director for Climate Policy

Ecology subject matter experts

Bill Drumheller | Neil Caudill

#ActOnClimate

#WACleanAir



Clean Air Rule Educational Webinar

Sarah Rees

Special Assistant to the Director for Climate Policy



About Ecology

- Scientists, engineers, environmental planners,
- Emergency responders, inspectors,
- Education and outreach experts, fiscal officers



Strategic Priority: Slow climate change



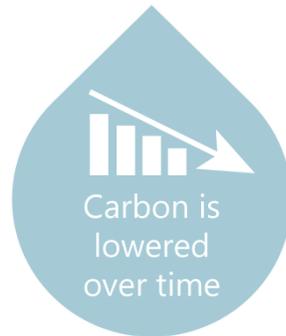


Solutions and leadership

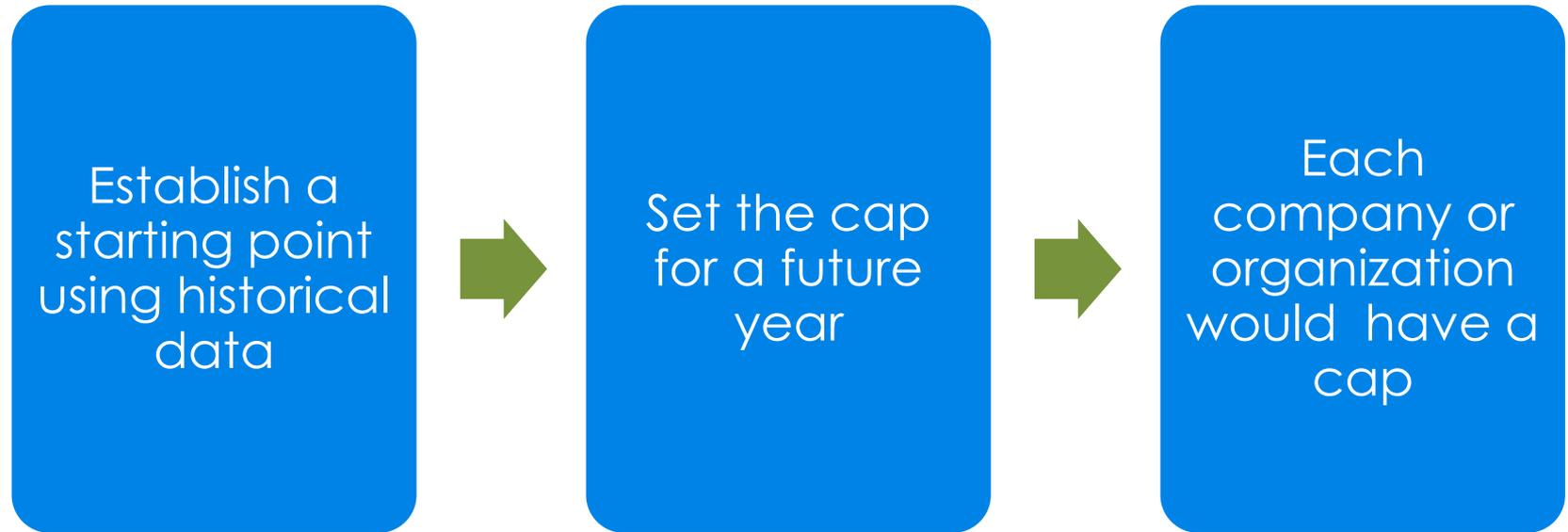
Clean Air Rule Concept

Ecology's Clean Air Rule will set limits on carbon pollution in Washington.

The rule concept looks like this:



The Concept: Setting the Cap



Key Topics

Year(s) used for the starting point

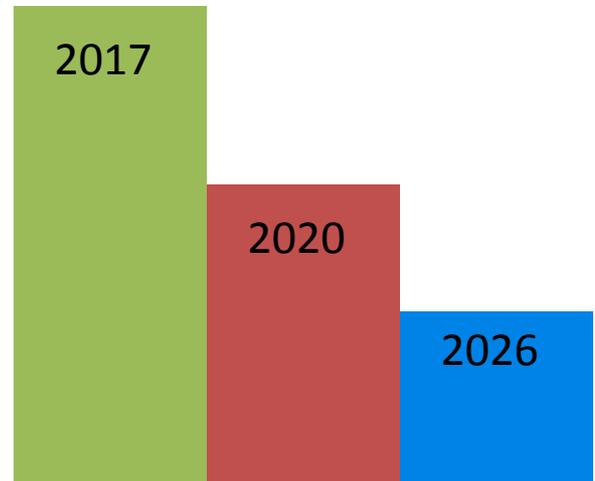
Multi-year averages or single year



The Concept: Reducing from the Cap

Compliance Curve

- How much emissions reduction and how fast
- Establish a reduction curve and apply it to regulated parties



The Concept: Reducing from the Cap

Key Topics

Year that first reductions are required

Shape of the curve

Economic and environmental considerations

How to consider the state's emission reduction limits in shaping the curve

The Concept: Reduction Options

Reduce emissions from their own operations

OR

Obtain emission reductions from others

OR

Obtain emission reductions by developing or funding projects that reduce emissions

**Key
Topic**

Role of other established emission credit markets in providing credits

Questions



The Concept: Alternative Reduction Mechanisms

Emission reductions would **not** have to come from the facility or company that has the obligation to reduce emissions

Able to obtain emission reductions from a wide range of emission reduction projects

Potential examples could include:

- Agricultural projects (e.g., dairy digesters)
- Transportation projects (e.g., bicycle, transit, or pedestrian projects)
- Energy projects (e.g., energy efficiency or renewable energy)
- Projects in other sectors or involving other types of sources

The Concept: Alternative Reduction Mechanisms

Key Topics

Geographic location of projects (in-state, in-state + out-of-state)

Types of emission reduction projects eligible for the program

Role, if any, for carbon removals from the atmosphere (e.g. forestry)

Allowing reductions to count in multiple programs or regulations

Questions



The Concept: Determining Compliance

Regulated parties report their greenhouse gas emissions to Ecology.
(Like they already do)

Data determines whether they meet the cap, exceed the cap, or are short.

Credits could be generated from over-compliance.

If a company or organization comes up short:

Obtain emission reductions from elsewhere

Use credits that they have banked from previous years

Key Topic

How the credit system is designed and structured

Questions



The Concept: Emissions Standards

Emissions standards would be set for:

Stationary
Sources

Petroleum
fuel
producers

Natural Gas
Distributors

Greenhouse gases covered would include:

Carbon
Dioxide
(CO₂)

Nitrous
Oxide
(N₂O)

Methane
(CH₄)

Fluorinated
Gases
(HFCs, PFCs, SF₆,
NF₃)

Stationary Sources

Large
Industrial
Plants

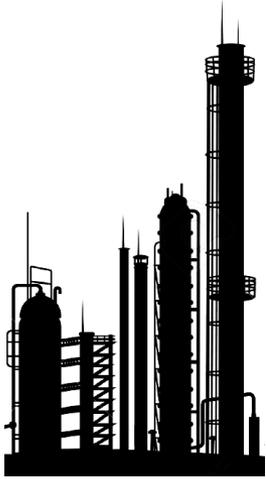
Power Plants

Landfills

Petroleum and
Natural Gas
Infrastructure

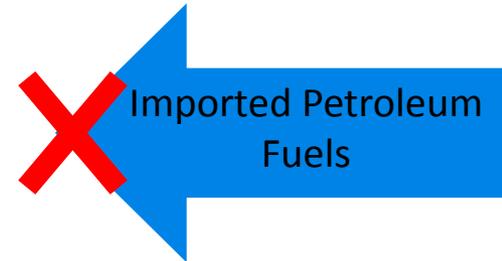
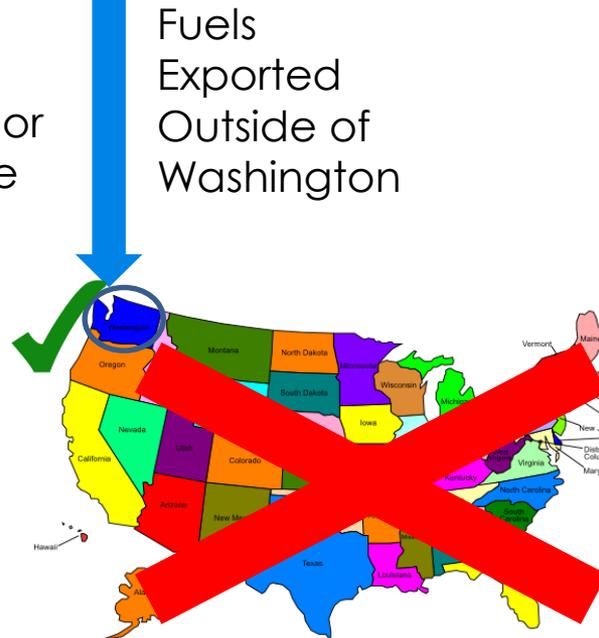


Petroleum Fuel Producers

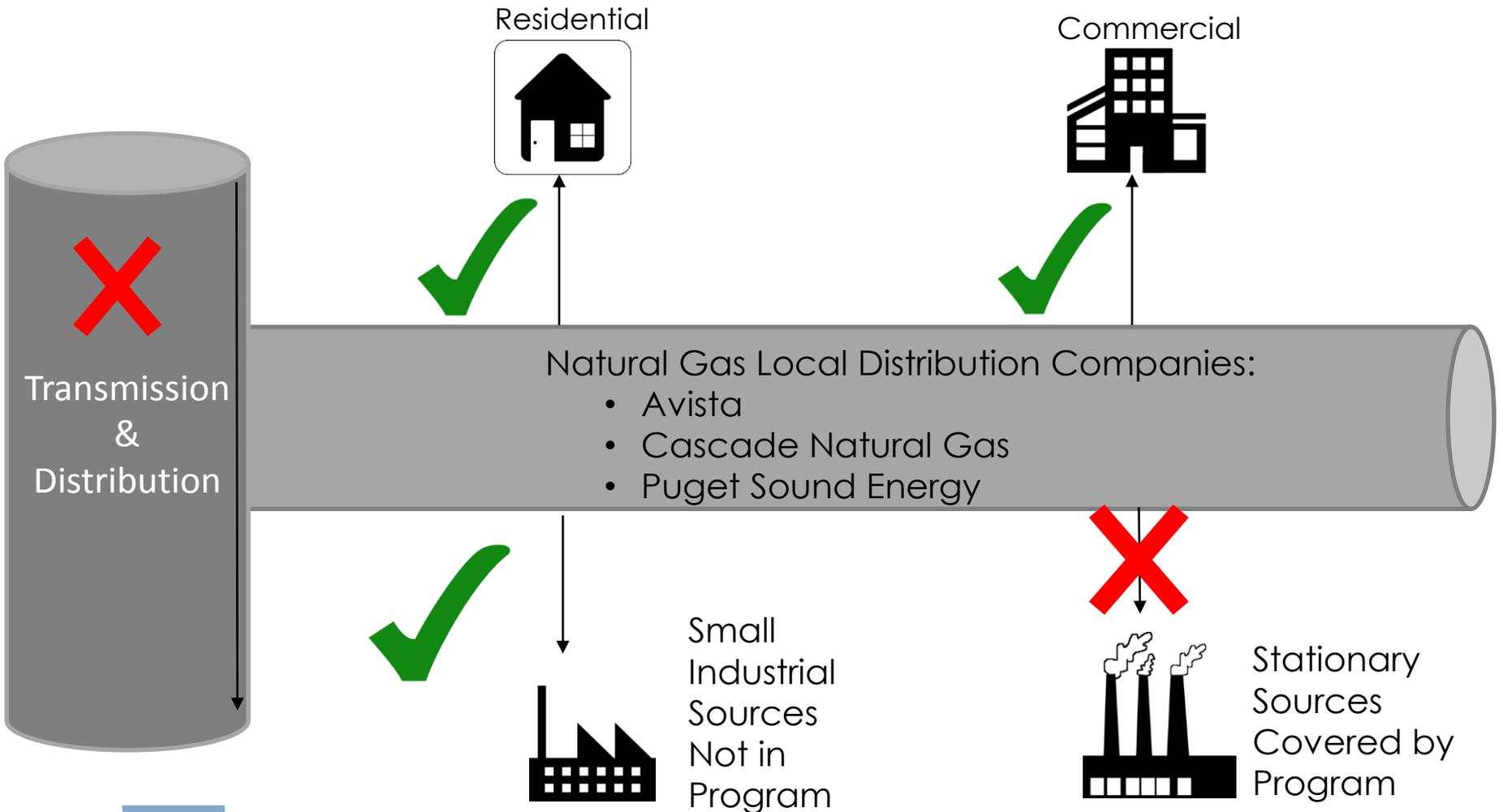


WA Refineries

- British Petroleum
- Phillips 66
- Shell
- Tesoro
- U.S. Oil



Natural Gas Distributors



Not Included

TransAlta Coal
Power Plant

Agricultural
Practices

Emissions
Associated with
Imported
Electricity

Industrial
Combustion of
Woody Biomass

Key Topics

How other forms of biomass and biofuels are considered

How renewable natural gas is considered

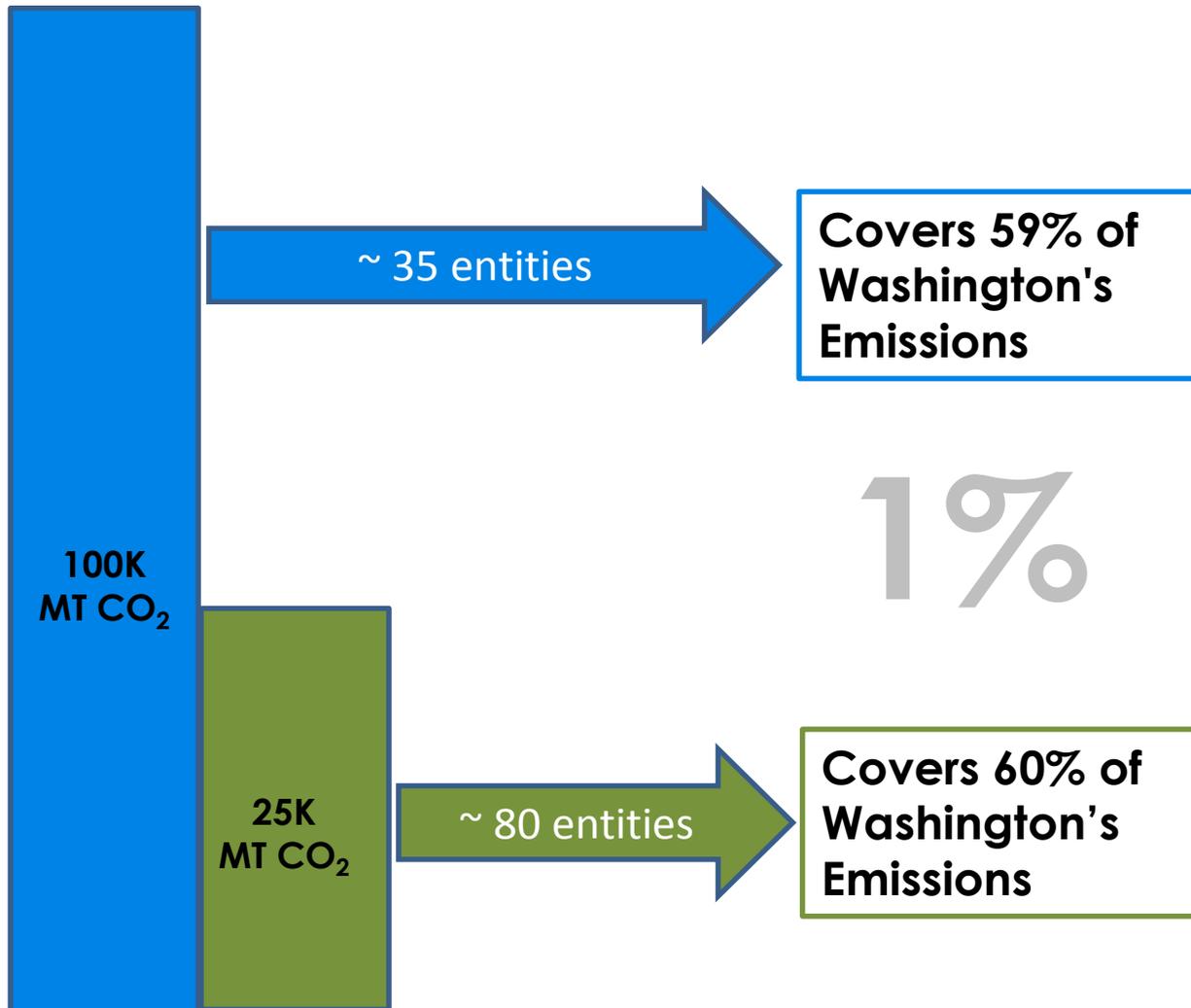
How to treat new entrants into the program in the future



Questions

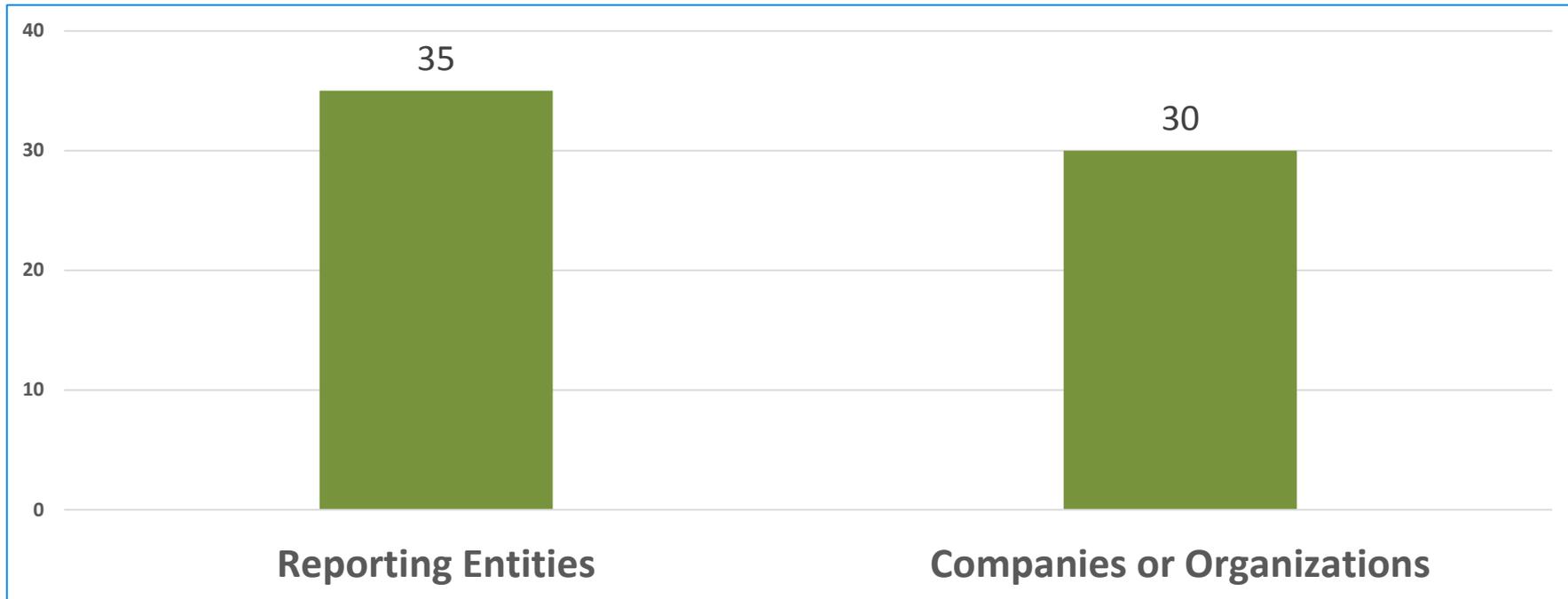


The Concept: Threshold



A lower threshold more than doubles the number of business that would need to comply—for only a 1% gain in emissions covered.

The Concept: Entities Affected at 100K Threshold



A company may have more than one reporting obligation for its facilities or other emissions

Key Topics

Appropriate coverage: threshold and scope

Balance between setting the threshold and reducing the number of regulated parties

Questions



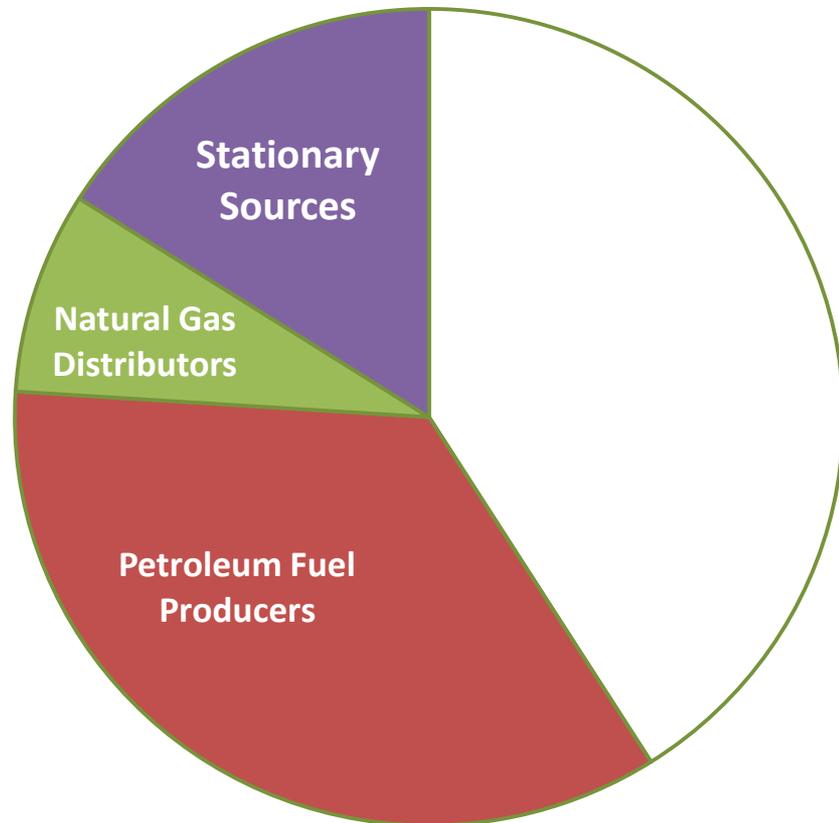
The Concept: Coverage and Impacts

About 60 percent of Washington's emissions would be covered

Affected companies and organizations would have a wide range of opportunities to comply

New economic development opportunities created to provide emission reductions to affected parties

Progress toward Washington's greenhouse gas emission reduction limits



Next Steps



Stay Engaged – Participate!



- Join the online discussion board
- Attend a webinar
- Submit a comment on the rule
- Attend a hearing

Poll question

Please tell us your top 5 priority topics for future discussions

- a. Year(s) for the baseline/starting point
- b. Multi-year averages or single year
- c. Year that first reductions be required
- d. Shape of the curve
- e. Economic and environmental considerations
- f. The role of the state's emission reduction limits in shaping the curve
- g. Role of other established emission credit markets in providing credits
- h. Geographic location of projects (in-state, in-state + out-of-state)
- i. Types of emission reduction projects eligible for the program
- j. Role, if any, for carbon removals from the atmosphere (e.g. forestry)
- k. Allowing reductions to count in multiple programs or regulations
- l. How the credit system is designed and structured
- m. How other forms of biomass and biofuels are considered
- n. How renewable natural gas is considered
- o. How to treat new entrants into the program in the future
- p. Appropriate coverage: threshold and scope
- q. Balance between setting the threshold and reducing the number of regulated parties

Thank you for attending.

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