



Governor
Chris Gregoire

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BUILDING A BETTER FUTURE FOR WASHINGTON FAMILIES

POLICY BRIEF

LEADING THE WAY ON CLIMATE CHANGE

Washington is a national leader in addressing climate change. New legislation will help guide Washington's efforts to reduce climate-changing greenhouse gases and build a clean-energy economy.

Governor Gregoire has taken significant actions to lead Washington's response to the climate change challenge, including setting important goals for reducing greenhouse gases. Washington is especially vulnerable to climate change. Our economy depends on natural resources, tourism, and the quality of life our environment offers employers who want to bring their businesses and jobs here. We depend on snow pack for summer stream flows that feed our rivers, hydroelectricity, and much of our public water supply. Our nearly 3,000 miles of coastline and dozens of coastal communities are vulnerable to the expected rise in sea levels.



In February 2007, the Governor issued her Climate Change Challenge Executive Order, which established realistic, achievable goals for reductions in greenhouse gases; set a goal of tripling existing jobs in clean-energy fields by 2020; and created a goal of reducing expenditures on imported fuel by 20 percent by 2020. She also directed the Departments of Ecology and Community, Trade and Economic Development to form the Climate Advisory Team to help shape recommendations for actions and strategies needed to achieve these goals. Developed by community and business leaders, the Climate Advisory Team will present their report to the Governor in early February 2008.

Also in February 2007, she and the governors of four other U.S. states and the premier of British Columbia established the Western Climate Initiative to set a regional emissions reduction goal and design a regional market-based system by August 2008 to help achieve the reduction goal. More U.S. states, Canadian provinces and Mexican states have signed on to this regional effort as participants and observers.

In May 2007, Governor Gregoire signed her emissions and job creation goals into law and established a performance standard for new power plants that curbs greenhouse gas emissions.

The Governor has taken other significant actions to reduce greenhouse gases in Washington, including championing "clean car" standards, and establishing appliance standards, stronger building codes, incentives for solar power, and more. As a result, Washington is recognized nationally not only as a leader in environmental policy, but also as a top five state in the nation to do business.

Now Governor Gregoire proposes new legislation to ensure we meet reduction goals for greenhouse gas emissions and to spur growth of the clean-energy economy. This legislation:

- Establishes a program for limiting and reducing greenhouse gas emissions.
- Designs a regional market-based system to help meet those emissions limits.
- Requires large greenhouse gases emitters, such as industrial sites and vehicle fleet operators, to report their emissions.
- Creates a workforce development and training program to grow living-wage, clean-energy jobs.



DEVELOPING A PROGRAM TO REDUCE EMISSIONS

Governor Gregoire knows that the state must be accountable for achieving real greenhouse gas reductions if we are to do our part to reduce the impact of climate change. The state will be responsible for making sure we meet those emission reductions and for recommending ways to achieve them if we are not on track. Our greenhouse gas emissions reduction limits: return to 1990 levels by 2020, achieve a 25 percent reduction below 1990 levels by 2035, and achieve a 50 percent reduction below 1990 by 2050.

DESIGNING A REGIONAL MARKET-BASED SYSTEM

Washington state, in conjunction with the Western Climate Initiative, will design a regional market-based system, such as a carbon cap-and-trade program, to help meet emissions limits. That system will be fair, simple and clear for all, and will minimize economic and local impacts. The system must stimulate investments, especially in low-carbon technologies, reward innovations that lead to long-term greenhouse gas reductions and provide recognition and incentives for participants who take early actions to reduce their emissions.

MAKING THE SYSTEM WORK

The Legislature must approve the market-based system design, which will then become effective by January 1, 2012. This will allow Washington businesses and citizens to have adequate time and opportunities to be able to take advantage of the low carbon economy and to make necessary investments in low carbon technology.

REQUIRING THE REPORTING OF EMISSIONS

To track our progress on reducing greenhouse gas emissions, we need to have a comprehensive inventory and a fair and accurate reporting system. Governor Gregoire's proposal requires large stationary sources of greenhouse gases (such as industries) and mobile

sources (such as operators of vehicle fleets) to report their emissions. That way, we can be sure that reductions are real and are meeting our state's emission limits.

GROWING THE CLEAN-ENERGY ECONOMY

Working with industry, workers, educational institutions and workforce investment boards, the state will identify high-demand green industries to target and grow. This clean-energy jobs growth initiative will help reach our goal of increasing clean-energy sector jobs to 25,000 from the 2004 level of 8,400. The initiative will help guide efforts to identify and grow high-wage jobs in clean industries, and to provide needed education, training and financial support.



WASHINGTON CLIMATE CHANGE CHALLENGE

We have all seen the science. At a global level, there is scientific consensus that our climate is changing. Just last week, the Intergovernmental Panel on Climate Change concluded that our planet's atmosphere has more greenhouse gases in it now than at any time during the last 650,000 years. It is equally clear that humans are causing our climate to change by burning massive amounts of fossil fuels like coal, oil and natural gas.

Eleven of the last 12 years have been the warmest years on record.

We can already see the impacts of this change here at home. Scientists at the University of Washington tell us that temperatures in the state are rising even faster than globally. Our glaciers have lost one-third of their volume since 1950, snowpack in the Cascades – which cities, fish and farmers rely on for water – is declining, and our summers are drier as the snowpack melts earlier each year.



Because climate change is vast and global, it is hard for any one of us to believe that we can make a difference. But Governor Gregoire knows that this moment is an opportunity. We can find solutions that reverse our contributions to climate pollution, we can move away from our overdependence on foreign oil and we can grow a clean energy economy.

BUILDING ON OUR SUCCESS

Washington has already taken significant actions to address global warming. Fully implementing existing programs will provide 60 percent of the reductions we need to return our emissions to 1990 levels by 2020. These same efforts also bring us 30 percent closer to achieving our 2050 goal of dramatically reduced climate pollution.

Governor Gregoire will make sure that we successfully implement the full range of actions we already have taken on climate change, including:

- Requiring certain automobiles to meet tougher emissions standards, beginning with 2009 models.
- Retrofitting school buses and local government vehicles to reduce highly toxic diesel emissions.
- Ensuring that fuel suppliers sell at least 2 percent biodiesel and ethanol.
- Designing and building high-performance green buildings.
- Developing and enforcing energy-efficient building codes and appliance efficiency standards that are among the highest in the country.

- Ensuring that our utilities are able to meet the energy efficiency and renewable energy requirements Washington's voters adopted this year.
- Purchasing hybrid and low-emission vehicles for state agency use.
- Moving forward to expand water supply options under the Columbia Water Partnership.

SETTING GOALS, FINDING SOLUTIONS

Governor Gregoire is setting ambitious goals for addressing climate change. With her leadership, we will reduce the pollution that leads to climate change, grow our clean energy economy and move toward energy independence.

Reducing Climate Pollution. By 2020, we will reduce our emissions to what they were in 1990, and then reduce them by another 25 percent by 2035. By 2050, emissions from Washington will be fully 50 percent below our 1990 levels. Goals like these not only inspire, they offer all of us incentives for the future. Last year, the Governor proposed and the Legislature passed a law that requires fuel suppliers to ensure that 2 percent of their diesel fuel is biodiesel and 2 percent of their gasoline is ethanol. One year later, private companies are planning to supply 25 percent biodiesel and 16 percent ethanol.

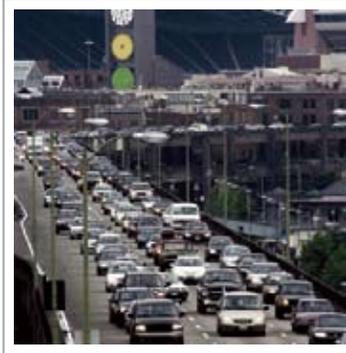
Growing the Clean Energy Economy.

The steps we take to reduce our impact on the climate are also an opportunity to grow the economy. There are good, family wage jobs in the next Washington, jobs from cleaner energy, smarter use of natural resources and adoption of advanced technology. This sector of our economy is growing rapidly – in fact, it grew 45 percent between 1998 and 2004. Governor Gregoire believes Washington will continue to be a leader in the clean energy economy, with 25,000 jobs in this sector by 2020, a three-fold increase.

Moving Toward Energy Independence.

Washingtonians spent over \$9 billion, almost \$25 million each day, on imported fuel last year – that's more than we spend on K-12 education. Governor

Gregoire believes we should keep some of that money in our own economy by growing our renewable fuel industry and becoming more efficient. To help us move toward energy independence, Governor Gregoire's goal is to reduce the amount we spend on imported fuel by 20 percent by 2020.



MOVING FORWARD TO FULLY ACHIEVE OUR GOALS

While we have made good progress, we cannot rest on our accomplishments.

To finish the job and achieve our goals, we need to move forward. Governor Gregoire has asked the Director of the Department of Ecology and the Director of Community, Trade and Economic Development to develop a comprehensive Washington Climate Change Challenge. Working with businesses, environmental groups, universities, local governments and legislators, the Directors will develop recommendations to make sure that we meet our goals. After a thorough evaluation of all the options, we will have a roadmap that we can implement in twelve months.



PARTNERING WITH OUR NEIGHBORS

Washington has been working with Oregon and California on this issue for many years. Our partnership has led to notable successes, including west-coast adoption of the highest emissions standards for cars. Now we are ready to broaden this partnership to include other western states and Canadian provinces.

Our region is an economic powerhouse, so we are working together to harness our power and creativity to achieve our common goals.

WORKING TOGETHER

Addressing global climate change requires cooperation and collaboration, among all of us – government, businesses and individuals – to coordinate our efforts to reduce emissions and build a clean energy economy. We will continue to implement policies we have put into place. We will identify new actions we need to begin. We will partner with other western states and British Columbia. And we will show the nation and the world how to do it together.