

**ESSB 6001 Rule Writing – GHG Emission Performance Standard  
Stakeholder Committee  
Proposed Agenda Items  
For Discussion August 30, 2007**

|    | <b>Discussion Items/Questions</b>  | <b>Related ESSB 6001 Section(s)</b>  |
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| 1. | What does “work in unison” mean?   | Sec. 1(1)(e):<br>“A greenhouse gases emissions performance standard will work in unison with the state’s carbon dioxide mitigation policy, chapter 80.70 RCW...”   |
| 2. | What is the boundary or scope of processes associated with production of electrical and/or thermal energy to include when calculating emissions?   | Sec. 5(5):<br>“...total emissions associated with producing electricity”.<br><br>Sec. 5(6):<br>“...includes all greenhouse gases emitted by the facility in the production of both electrical and thermal energy”.             |
| 3. | For purposes of compliance with the EPS, clarify if scope of emission sources will include all GHGs, as defined under ESSB 6001, or only emissions of CO <sub>2</sub> .                                  | Sec. 2(14) and Sec. 5(1):<br>ESSB 6001 defines greenhouse gases to include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.<br><br>The EPS refers to “greenhouse gases”. |
| 4. | Establish method for calculating and measuring emissions for compliance with the established EPS (Based on the decisions regarding boundary/ scope of processes and the scope of the emissions sources). | Sec. 5(1):<br>Establishes the EPS for baseload power plants of 1,100 lbs of GHGs per MWh.  |
| 5. | For purposes of this rule, what is the definition of “waste gas”?  | Sec. 5(4):<br>“All cogeneration facilities in the state that are fueled by natural gas or waste gas or a combination of the two fuels...”  |

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| 6. | What does “output-based methodology” mean?  | Sec. 5(6):<br>“The department shall establish an output-based methodology to ensure that the calculation of emissions of greenhouse gases for a cogeneration facility recognizes the total usable energy output of the process...”   |
| 7. | Does the definition of cogeneration within 173-407 need to be amended to be consistent with the definition in the public utilities regulatory act of 1978?  | Sec. 5(6):<br>“...the department shall consider and act in a manner consistent with any rules adopted pursuant to the public utilities regulatory act of 1978 (16 U.S.C. Sec. 824a-3), as amended.”  |
| 8. | <p>What does “permanent” and “safe, reliable, and permanent protection” mean, as they relate to geological and other sequestration?</p> <p>How do you determine whether the sequestration or the plan for sequestration is providing safe, reliable, and permanent protection?</p> <p>How do we address forms of sequestration other than geologic within the rule?</p> <p>Discuss sequestration plan criteria included in Sec. 5(11) of ESSB 6001.</p> <p>Identify additional requirements that should be included in the rule, such as:</p> <p>Specific criteria for Geologic Sequestration:</p> <ul style="list-style-type: none"> <li>• Site Selection/Characterization standards,</li> <li>• Environmental protection</li> </ul> | <p>Sec. 5(7):</p> <p>(a) Those emissions that are injected permanently in geologic formations;</p> <p>(b) Those emissions that are permanently sequestered by other means approved by the department.</p> <p>Sec. 5(12)(a):<br/>“...the department shall determine whether sequestration or a plan for sequestration will provide safe, reliable, and permanent protection against the greenhouse gases entering the atmosphere from the power plant and all ancillary facilities.”</p> <p>Sec. 5(11):<br/>...shall include criteria to be applied in evaluating the carbon sequestration plan...</p> <p>The rules shall include but not be limited to:</p> <ul style="list-style-type: none"> <li>▪ Provisions for financial assurances...</li> <li>▪ Provisions for geologic or other sequestration commencing within five years of plant operation...</li> <li>▪ Provisions for monitoring</li> </ul> |

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|     | <ul style="list-style-type: none"> <li>• well construction</li> <li>• required monitoring</li> <li>• Closure/Post-Closure Requirements &amp; Financial Assurance</li> </ul>  | <p>effectiveness of the implementation of the sequestration plan</p> <ul style="list-style-type: none"> <li>▪ Penalties for failure to achieve implementation of the plan on schedule</li> <li>▪ Provisions for an owner to purchase emissions reductions in the event of failure of a sequestration plan under subsection (13) of this section.</li> <li>▪ Provisions for public notice and comment on the carbon sequestration plan</li> </ul> |
| 9.  | How do we need to address this section within the rule?  | <p>Sec. 5(8):<br/>“In adopting and implementing the greenhouse gases emissions performance standard, the CTED energy policy division, in consultation with... shall consider the effects of the greenhouse gases emissions performance standard on system reliability and overall costs to electricity customers.”</p>   |
| 10. | <p>What are “unspecified sources”?</p> <p>How do we address long-term purchases of electricity from “unspecified sources” in a manner consistent with this chapter?</p> <p>How do we apply the EPS to power generated outside of Washington and sold under long-term contract for consumption within Washington?</p> | <p>Sec. 5(9):<br/>“In developing and implementing the greenhouse gases emissions performance standard, the department shall...to the extent practicable, address long-term purchases of electricity from unspecified sources in a manner consistent with this chapter.”</p>  |
| 11. | How do we provide uniform enforcement of the EPS?  | <p>Sec. 5 (10):<br/>“The directors...shall each adopt rule...to implement and enforce the greenhouse gases emissions performance standard...by June 30, 2008.”</p>   |
| 12. | <p>Additional issues identified by the stakeholder committee.</p> <p>Who determines an ownership change or upgrade?</p>  |  |