



# PROPOSED RULE MAKING

## CR-102 (June 2004)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Department of Ecology AO #10-08

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Preproposal Statement of Inquiry was filed as WSR 10-11-098 ; or | <input checked="" type="checkbox"/> Original Notice       |
| <input type="checkbox"/> Expedited Rule Making--Proposed notice was filed as WSR _____; or           | <input type="checkbox"/> Supplemental Notice to WSR _____ |
| <input type="checkbox"/> Proposal is exempt under RCW 34.05.310(4).                                  | <input type="checkbox"/> Continuance of WSR _____         |

**Title of rule and other identifying information:** This rule making proposes to adopt a mandatory greenhouse gas reporting rule for persons operating:

1. A single facility, source, or site that emits at least 10,000 metric tons of greenhouse gases annually in the state; or
2. A supplier of liquid motor vehicle fuel, special fuel, or aircraft fuel that supplies products equivalent to at least 10,000 metric tons of carbon dioxide annually in the state.

This rule making will establish a new chapter, Chapter 173-441 WAC – Reporting of Emissions of Greenhouse Gases.

**Hearing location(s):**

|  |   |
|--|---|
| <b>Spokane</b>   | <b>Lacey</b>  |
| Date: October 6, 2010  | Date: October 7, 2010   |
| Time: 6pm  | Time: 6pm   |
| Location: Dept. of Ecology<br>4601 N. Monroe St<br>Spokane, WA 99205 | Location: Dept. of Ecology<br>300 Desmond Dr<br>Lacey, WA 98503 |

**Submit written comments to:**

Name: Neil Caudill  
 Address: PO Box 47600  
 Olympia, WA 98504-7600  
 e-mail [neil.caudill@ecy.wa.gov](mailto:neil.caudill@ecy.wa.gov)  
 fax (360) 407-7534 by (date) October 14, 2010

**Date of intended adoption:** December 1, 2010

(Note: This is NOT the effective date)

**Assistance for persons with disabilities:** Contact

Tami Dahlgren at (360) 407-6830 by September 28, 2010

Persons with hearing loss, call 711 for Washington Relay Service. Persons with a speech disability, call 877-833-6341.

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** This proposal will adopt, as directed in Chapter 70.94 RCW, a mandatory greenhouse gas reporting rule. The proposal will establish a new chapter, Chapter 173-441 WAC.

**Reasons supporting proposal:** The state of Washington has taken several steps to begin responding to climate change. Engrossed Second Substitute House Bill 2815 (ESSHB 2815), was passed by the 2008 Legislature as part of the Governor's Climate Change Framework and is primarily codified in Chapters 70.235 RCW and 70.94 RCW. ESSHB 2815 requires the state to meet goals for the statewide reduction of emissions of greenhouse gases (GHGs) within Washington over the next several decades and includes additional actions to reduce emissions of greenhouse gases and build a clean energy economy. The legislature passed Substitute Senate Bill No. 6373 (SSB 6373) in 2010 to amend ESSHB 2815 to emphasize consistency with The Environmental Protection Agency's (EPA) greenhouse gas reporting program. One element of SSB 6373 is a requirement for persons operating large stationary sources of greenhouse gases or supplying certain types of fuels to begin reporting emissions. The statute directs Ecology to adopt rules to develop and implement a reporting system for those entities required to report. The inventory of greenhouse gas emissions established by this reporting system will support future policy initiatives to meet the emissions reductions established in RCW 70.235.020.

**Statutory authority for adoption:** Chapter 146, Laws of 2010 (Substitute Senate Bill No. 6373), Greenhouse Gas Emissions, Chapters 70.235 and 70.94 RCW

**Statute being implemented:** Chapters 70.94 and 70.235 RCW

**Is rule necessary because of a:**

- |                         |                              |  |
|-------------------------|------------------------------|--|
| Federal Law?            | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision?   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- If yes, CITATION:

**DATE**  
8/26/10

**NAME** (type or print) Polly Zehm

**SIGNATURE**

**TITLE**  
Deputy Director, Department of Ecology

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STATE OF WASHINGTON  
FILED

**DATE: August 26, 2010**

**TIME: 9:09 AM**

**WSR 10-18-047**

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**

SSB 6373 directs Ecology to adopt rules that establish a mandatory GHG reporting program that is consistent with EPA's mandatory GHG reporting program. EPA's program is still in development. Ecology's proposed rule incorporates by reference sections of EPA's final reporting rules as well as reporting rules currently proposed by EPA. EPA expects to finalize several of its proposed rules before the end of the year. To maintain consistency and reduce costs for reporters, Ecology intends to update WAC 173-441 to incorporate changes to the proposed EPA reporting protocols included in WAC 173-441 if they are finalized by the date of adoption of WAC 173-441. This incorporation will not add or remove source categories from the rule.

**Name of proponent:** (person or organization) Department of Ecology Air Quality Program

- Private
- Public
- Governmental

**Name of agency personnel responsible for:**

| Name                            | Office Location | Phone           |
|---------------------------------|-----------------|-----------------|
| Drafting..... Neil Caudill      | Lacey, WA       | (360) 407- 6811 |
| Implementation.....Neil Caudill | Lacey, WA       | (360) 407- 6811 |
| Enforcement.....Neil Caudill    | Lacey, WA       | (360) 407- 6811 |

**Has a small business economic impact statement been prepared under chapter 19.85 RCW?**

Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name: Kasia Patora  
Address: Economics and Regulatory Research  
Department of Ecology  
PO Box 47600  
Lacey, WA 98504-7600  
phone (360) 407- 6184  
fax (360) 407-6989  
e-mail kasia.patora@ecy.wa.gov

No. Explain why no statement was prepared.

**Is a cost-benefit analysis required under RCW 34.05.328?**

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name: Kasia Patora  
Address: Economics and Regulatory Research  
Department of Ecology  
PO Box 47600  
Lacey, WA 98504-7600  
phone (360) 407- 6184  
fax (360) 407-6989  
e-mail kasia.patora@ecy.wa.gov

No: Please explain: