PROPOSED RULE MAKING

CR-102 (June 2004)
(Implements RCW 34.05.320)
Do NOT use for expedited rule making

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.

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 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?   Yes  No
Federal Court Decision? Yes  No
State Court Decision? Yes  No
If yes, CITATION:

DATE  8/26/10

NAME (type or print)  Polly Zehm

SIGNATURE

TITLE
Deputy Director, Department of Ecology
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

Name of agency personnel responsible for:

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<tr>
<th>Name</th>
<th>Office Location</th>
<th>Phone</th>
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<tr>
<td>Drafting...............</td>
<td>Neil Caudill</td>
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<td>Implementation.......</td>
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<td>Enforcement...........</td>
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Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☒ Yes. Attach copy of small business economic impact statement.

☐ No. Explain why no statement was prepared.

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

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: