Washington’s Greenhouse Gas Reporting Rule
WAC 173-441
Rule Advisory Committee Meeting
June 11, 2010
Meeting Procedures

Webinar attendees:

- Talk to us by:
  - Typing questions or comments into the question box, or
  - Use the “raise hand” feature

- Staff will respond by:
  - Reading your question and answering orally, or
  - Unmuting your line and letting you speak, or
  - Text message

- Please let us know if you are experiencing technical difficulties.
Meeting procedures:

- Only one person speak at a time – raise your hand
- Wait for a microphone before speaking
- Identify yourself
- Speak clearly and loudly
- If you are in the room, please do not log onto the webinar with your laptop
Today’s Agenda

• Introduction

• Ecology presentation
  – Background information
  – Consistency with EPA
  – Reporting start date
  – Rule development process

• Open forum
  – Questions
  – Feedback

• Meeting conclusion
HB 2815* passed in 2008 legislative session

- Required Ecology to adopt rules for mandatory reporting of greenhouse gas emissions (Chapter 173-441 WAC)

- Used 2008 ghg accounting structure
  - Entity reporting
  - Direct and indirect emissions
  - Transportation emissions: fleet operator reporting

*Codified in RCW 70.94.151
EPA released federal rule – September 22, 2009

- Ecology released CR-102 draft on Sept. 21, 2009
- Fundamentally different framework
  - Facility reporting
  - Direct emissions only
  - Upstream reporting: transportation, fugitives, etc
Statute for GHG Reporting Rule

Substitute Senate Bill 6373, 2010 (SSB 6373) passed in 2010 legislative session (signed by governor on March 19, 2010)

- Ecology sponsored legislation to make more consistent with EPA
  - Facility reporting
  - Direct emissions only
  - Consistency with EPA
  - Upstream reporting: use DOL reporting as basis for fuel suppliers

- Restart rule development
<table>
<thead>
<tr>
<th>Issue</th>
<th>SSB 6373 WA Rule</th>
<th>EPA Final GHG Reporting Rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Reporting Year Report Due Date</td>
<td>• 2009 emissions&lt;br&gt;• October 31, 2010 (starting 2011, use EPA deadline if also EPA reporter)&lt;br&gt;• Ability to phase until 2012</td>
<td>• 2010 emissions&lt;br&gt;• March 31, 2011</td>
</tr>
<tr>
<td>GHGs Covered in Rule</td>
<td>• 6 Kyoto listed GHGs&lt;br&gt;• Can adopt federally listed gases</td>
<td>• 6 Kyoto listed GHGs&lt;br&gt;• plus other fluorinated gases</td>
</tr>
<tr>
<td>Threshold</td>
<td>10,000 MT CO$_2$e</td>
<td>25,000 MT CO$_2$e (variable)</td>
</tr>
<tr>
<td>Upstream Suppliers</td>
<td>• Transportation only: liquid motor vehicle fuel, special fuel, or aircraft fuel&lt;br&gt;• Supplier defined by WA tax system&lt;br&gt;• Info already supplied to DOL&lt;br&gt;• Aggregation and confidentiality</td>
<td>• More fuel types – transport, stationary, liquid, solid, gas, etc&lt;br&gt;• High GWP/industrial gas suppliers&lt;br&gt;• Vehicle engine manufacturers</td>
</tr>
<tr>
<td>Protocols</td>
<td>“Consistent” with EPA</td>
<td>Sector specific</td>
</tr>
<tr>
<td>Biomass</td>
<td>• Included in threshold&lt;br&gt;• Reported separately</td>
<td>• Not included in threshold&lt;br&gt;• Reported separately</td>
</tr>
<tr>
<td>Emissions Reported</td>
<td>Direct emissions</td>
<td>Direct emissions</td>
</tr>
<tr>
<td>Level of Reporting</td>
<td>Facility level</td>
<td>Facility level</td>
</tr>
</tbody>
</table>
Main Issues

- Consistency with EPA
- Fuel suppliers – DOL based framework
- Reporting start date
Consistency with EPA

- General provisions
- Scope
- Methodologies
- Greenhouse gases to report
- Data management and reporting system
- Timing
General Provisions

- Must account for statutory differences
  - Threshold: fixed 10,000 MT CO$_{2}$e vs. variable 25,000 MT CO$_{2}$e
  - Biomass counts towards threshold and reported separately
  - Timing of start of program
  - Fuel suppliers – DOL system, not EPA

- Will require different structure and content
### EPA Track 1 Source Categories (2010)

<table>
<thead>
<tr>
<th>Category</th>
<th>HCFC-22 Production and HFC-23 Destruction</th>
<th>Petroleum Refineries</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Stationary Fuel Combustion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity Generation</td>
<td>Hydrogen Production</td>
<td>Phosphoric Acid Production</td>
</tr>
<tr>
<td>Adipic Acid Production</td>
<td>Iron and Steel Production</td>
<td>Pulp and Paper Manufacturing</td>
</tr>
<tr>
<td>Aluminum Production</td>
<td>Lead Production</td>
<td>Silicon Carbide Production</td>
</tr>
<tr>
<td>Ammonia Manufacturing</td>
<td>Lime Manufacturing</td>
<td>Soda Ash Manufacturing</td>
</tr>
<tr>
<td>Cement Production</td>
<td>Miscellaneous Uses of Carbonate</td>
<td>Titanium Dioxide Production</td>
</tr>
<tr>
<td>Ferroalloy Production</td>
<td>Nitric Acid Production</td>
<td>Zinc Production</td>
</tr>
<tr>
<td>Glass Production</td>
<td>Petrochemical Production</td>
<td>Landfills</td>
</tr>
</tbody>
</table>

- Manure Management (not implemented by EPA)
- Upstream Suppliers (different system)
<table>
<thead>
<tr>
<th>April 12, 2010 Proposed Rules</th>
<th>Pending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum and Natural Gas Systems</td>
<td>Industrial Landfills</td>
</tr>
<tr>
<td>Carbon Dioxide Injection and Geologic Sequestration</td>
<td>Wastewater Treatment</td>
</tr>
<tr>
<td>Electronics Manufacturing (including manufacture of semiconductors, photovoltaic cells, liquid crystal displays, and micro-electro-mechanical systems)</td>
<td>Magnesium Production</td>
</tr>
<tr>
<td>Fluorinated Gas Production</td>
<td>Underground Coal Mines</td>
</tr>
<tr>
<td>Use of Electric Transmission and Distribution Equipment</td>
<td>Ethanol Production</td>
</tr>
<tr>
<td>Manufacture of Electric Transmission and Distribution Equipment</td>
<td>Food Processing</td>
</tr>
</tbody>
</table>

- Upstream suppliers (different system)
Greenhouse Gases to Report

- Included in statute:
  - Carbon Dioxide (CO$_2$)
  - Methane (CH$_4$)
  - Nitrous Oxide (N$_2$O)
  - Hydrofluorocarbons (HFC’s)
  - Perfluorocarbons (PFC’s)
  - Sulfur Hexafluoride (SF$_6$)

- Other gases in EPA rule can be included
  - Fluorinated GHGs
  - Process requires notifying legislature
  - Plan to include, but phase
Data Management and Reporting System

• Electronic GHG Reporting Tool (e-GRET)
  – Webform (TurboTax style)
  – Bulk upload (xml)

• Ecology is working with EPA to use EPA’s reporting system for both federal and state reporting
  – Report once to EPA
  – EPA forwards data to Ecology
  – EPA’s system modified to accept our threshold differences and other minor adjustments
Timing

• Report due dates in statute
  – Start with 2009 emissions: October 31st 2010
  – Beginning 2010 (2011 report): if also report to EPA, due on EPA deadline (March 31st)
  – Everyone else no later than October 31st of the year following emissions
  – Can phase requirements until January 1, 2012

• Updates to EPA rule
  – Ecology will need to follow EPA rule updates
  – Potential for periodic differences
Reporting Start Date

- Complications
  - Reporters’ limitations
  - Report due before rule final
  - Ecology’s ability to implement reporting system
  - EPA source category method availability

- Phasing
  - Threshold
  - By source category
  - Delay by year
Phasing

- Ecology plans to phase to maximum extent
- No reporting for 2009, 2010, or 2011 emissions
- Agency will work with EPA to get pre-2012 data from EPA reports
- 2012 emissions reported to Ecology for all sources in rule at 10,000 MT CO$_2$e threshold
- First report due:
  - Facilities that also report to EPA: March 31$^{st}$, 2013
  - Facilities and suppliers that do not report to EPA: no later than October 31$^{st}$, 2013
## Rule Development Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Approximate Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSB 6373 signed by Governor</td>
<td>March 19, 2010</td>
</tr>
<tr>
<td>Withdrew previous rule making</td>
<td>April, 2010</td>
</tr>
<tr>
<td>File new pre-proposal statement of inquiry (CR-101)</td>
<td>May, 2010</td>
</tr>
<tr>
<td>First advisory committee meeting</td>
<td>June, 2010</td>
</tr>
<tr>
<td>New draft rule</td>
<td>Late June, 2010</td>
</tr>
<tr>
<td><strong>Second advisory committee meeting</strong></td>
<td><strong>July 6, 2010</strong></td>
</tr>
<tr>
<td>File proposed rulemaking (CR-102)</td>
<td>September, 2010</td>
</tr>
<tr>
<td>Public hearings and comment period</td>
<td>October, 2010</td>
</tr>
<tr>
<td>Adoption (CR-103)</td>
<td>December, 2010</td>
</tr>
<tr>
<td>Effective</td>
<td>January, 2011</td>
</tr>
</tbody>
</table>

All dates subject to change
Email Newsletter

- We send rule updates and meeting invitations through an email newsletter
- To sign up:
  - Meeting room – list email address on sign in sheet
  - Webinar – request in question box
  - Email Neil Caudill: neil.caudill@ecy.wa.gov
Want to learn more?

- Ecology contact:
  Neil Caudill
  neil.caudill@ecy.wa.gov
  360-407-6811

- Washington GHG Reporting Rule webpage:
  http://www.ecy.wa.gov/programs/air/globalwarm_RegHaze/GreenHouseGasreporting_rule.html

- Advisory Committee webpage:
  http://www.ecy.wa.gov/programs/air/globalwarm_RegHaze/Stakeholder_Meetings.htm

- EPA GHG Reporting Rule webpage:
  http://www.epa.gov/climatechange/emissions/ghgrulemaking.html