



Washington's Greenhouse Gas Reporting Rule

WAC 173-441

Rule Advisory Committee Meeting

June 11, 2010



# Meeting Procedures

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## 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

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Meeting room attendees:

- 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

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- Introduction
- Ecology presentation
  - Background information
  - Consistency with EPA
  - Reporting start date
  - Rule development process
- Open forum
  - Questions
  - Feedback
- Meeting conclusion



# Statute for GHG Reporting Rule

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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
  - o Entity reporting
  - o Direct and indirect emissions
  - o Transportation emissions: fleet operator reporting

\*Codified in RCW 70.94.151



# EPA GHG Reporting Rule

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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

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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



# Comparison of ECY and EPA Rules

Issue	SSB 6373 WA Rule	EPA Final GHG Reporting Rule
First Reporting Year	•2009 emissions	•2010 emissions
Report Due Date	•October 31, 2010 (starting 2011, use EPA deadline if also EPA reporter) •Ability to phase until 2012	•March 31, 2011
GHGs Covered in Rule	•6 Kyoto listed GHGs •Can adopt federally listed gases	•6 Kyoto listed GHGs •plus other fluorinated gases
Threshold	10,000 MT CO <sub>2</sub> e	25,000 MT CO <sub>2</sub> e (variable)
Upstream Suppliers	•Transportation only: liquid motor vehicle fuel, special fuel, or aircraft fuel •Supplier defined by WA tax system •Info already supplied to DOL •Aggregation and confidentiality	•More fuel types – transport, stationary, liquid, solid, gas, etc •High GWP/industrial gas suppliers •Vehicle engine manufacturers
Protocols	“Consistent” with EPA	Sector specific
Biomass	•Included in threshold •Reported separately	•Not included in threshold •Reported separately
Emissions Reported	Direct emissions	Direct emissions
Level of Reporting	Facility level	Facility level



# Main Issues

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



# Consistency with EPA

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

# General Provisions

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- Must account for statutory differences
  - Threshold: fixed 10,000 MT CO<sub>2</sub>e vs. variable 25,000 MT CO<sub>2</sub>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)

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

- Manure Management (not implemented by EPA)
- Upstream Suppliers (different system)



# EPA Track 2 Source Categories (2011)

April 12, 2010 Proposed Rules	Pending
Petroleum and Natural Gas Systems	Industrial Landfills
Carbon Dioxide Injection and Geologic Sequestration	Wastewater Treatment
Electronics Manufacturing (including manufacture of semiconductors, photovoltaic cells, liquid crystal displays, and micro-electro-mechanical systems)	Magnesium Production
Fluorinated Gas Production	Underground Coal Mines
Use of Electric Transmission and Distribution Equipment	Ethanol Production
Manufacture of Electric Transmission and Distribution Equipment	Food Processing

- Upstream suppliers (different system)



# Greenhouse Gases to Report

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- Included in statute:
  - Carbon Dioxide (CO<sub>2</sub>)
  - Methane (CH<sub>4</sub>)
  - Nitrous Oxide (N<sub>2</sub>O)
  - Hydrofluorocarbons (HFC's)
  - Perfluorocarbons (PFC's)
  - Sulfur Hexafluoride (SF<sub>6</sub>)
- Other gases in EPA rule can be included
  - Fluorinated GHGs
  - Process requires notifying legislature
  - Plan to include, but phase



# Data Management and Reporting System

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- 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

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- Report due dates in statute
  - Start with 2009 emissions: October 31<sup>st</sup> 2010
  - Beginning 2010 (2011 report): if also report to EPA, due on EPA deadline (March 31<sup>st</sup>)
  - Everyone else no later than October 31<sup>st</sup> 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

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## ● 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

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- 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<sub>2</sub>e threshold
- First report due:
  - Facilities that also report to EPA: March 31<sup>st</sup>, 2013
  - Facilities and suppliers that do not report to EPA: no later than October 31<sup>st</sup> 2013



# Rule Development Timeline

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

All dates subject to change



# Email Newsletter

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- 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](mailto:neil.caudill@ecy.wa.gov)



# Want to learn more?

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- 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](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](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>



# *Climate Change*

*global warming*

Questions or Comments?