

Greenhouse Gas Reporting Rule Advisory Committee Meeting #1 Meetings Notes for June 11, 2010

Location: Department of Ecology, Lacey

Time: 9:00 AM – 10 AM

Meeting Objectives:

- Share information & staff work to date
- Obtain initial input from advisory committee members
- Discuss rule development process, timeline, and next advisory committee meeting

Agenda: http://www.ecy.wa.gov/programs/air/globalwarm_RegHaze/AdvisoryCommitteeMtg1_%20Agenda_6-11-10.pdf

Attendees: Scott Dickinson (Air Force), Scott Inloes (WaferTech), Justin Mahaffa (US Navy), Chris Lammer (Darigold, Inc.), Monica Pillay (Spectrum Glass), Scott Peters (Williams), Matt Cohen (Stoel Rives), Dave Moore (Boeing), Katie Kaku (Consultant), Nancy Atwood (PSE), Andrew Wilt (Lake Haven), Stephen L. Mauer (Lakewood City), Jerry Newman (Lakewood City), Paul Johnson (DOL), Alan Fife (Anderson Hay & Grain), Todd Ellis (Imperium Renewables), Eric Rajski (Imperium Renewables), ET Muehlethaler (PTPC), Keith Faretra (PSE), Ken Johnson (Weyerhaeuser), Anthony Chavez (Weyerhaeuser), Jody Snyder (LRI), Chuck White (Waste Management), Kevin Booth (Avista Utilities), Larry Schmieder (Circle K Stores Inc.), Jesus Quinonez (Boeing), Pascale Lagace (AbitibiBowater), Eric Sonsthagen (SCS Engineers), Dennis Griffey (Kitsap Transit), Vicki ZumBrunnen (PACCAR Inc.), Amanda Beals (Fred Meyer Stores), Abbie Krebsbach (Cascade Natural Gas Corporation/Montana-Dakota Utilities Co.), Steven Li (Amgen, Inc.), Kevin Ward (US Army), Nirav Sheth (SHE America, Inc.), Rolf Skrinde (Twin City Foods), Christopher Wrobel (Emerald Kalama Chemical, LLC), George Beamer (Mutual Materials Company), Lizzie Zemke (ESA Adolfson), Phil Watkins (Phil Watkins Public Affairs, Inc.), Dale Snyder (Avista Corp.), Cameron Hewes (General Biodiesel Seattle, LLC), James Campbell (PacifiCorp), Craig Gannet (Davis Wright Tremaine LLP,) Dan Scarvie (Qwest Communications), Clarence Lo (AECOM), Vanessa Brines (Amgen), Lisa Dulude (Snohomish County), TransCanada – Gas Transmission NW, Deanna Carveth (Snohomish County Public Works), Tom Beam (Mission Support Alliance-Hanford Site), John Cleary (WA Dept of Ecology), Alan Meyer (Conagra Foods Lamb Weston Inc), John Linton (TransAlta Centralia Generation LLC), Danielle Stuart (TransAlta Corporation), Kristi Kramer (Snohomish County), Cedric Robinson (Frito Lay), Dan Quam (House of Representatives), Tim Young (Sause Bros., Inc.), Maria Zannes (Waste Management), Christopher Wrobel (Emerald Kalama Chemical, LLC), Carol Whitaker (Golder Associates), Drew Leonard (Invenergy).

Meeting Notes

9:00 am started meeting. Neil Caudill explained the meeting process and how to ask questions via webinar or in the room.

Intro/comments by Janice Adair – Welcomed group, acknowledged the long term participation on the GHG rule making effort by many of the stakeholders, and thanked them for the continued participation. She explained the legislative process from 2010 session and noted that the house subcommittee asked that we not bring back this legislation in the future for additional changes.

Neil Caudill went through the PowerPoint presentation.

The next meeting will be on July 6th, 2010 and will focus on reviewing draft rule language.

9:40 start Q&A session:

Q: Will presentation be available online?

Yes, here is the link:

http://www.ecy.wa.gov/programs/air/globalwarm_RegHaze/Stakeholder_Meetings.htm

Q: Major concern previously was the need to report 2009 emissions. Grateful that ECY is phasing this. Why aren't we requiring 2010 and 2011 emissions?

Infrastructure issues make it complicated to collect data for those years. We can get that info from EPA for larger sources. We won't have the smaller reporters, but it's cleaner to phase everyone in. Want to be fair and recognize the tight deadlines imposed on reporters. We're continuing with an aggressive rule making schedule so that reporters have a final rule to provide certainty.

Q: Will formulas be the same as EPA Mandatory Reporting Rule (MRR)?

In most cases, yes. May need to make a few minor adjustments.

Q: We run the fleet for the City of Lakewood. Are we required to report?

Fleets are not required to report, regardless of how much fuel you use.

Q: We have a fuel island – does that make us have to report?

Not unless you have a license from DOL.

Q: I thought one of the earlier slides showed a reporting date for 2010 emissions. Is that correct?

That is the date in statute. However, we are phasing that in. You won't report until 2013, for 2012 emissions.

Q: Landfill emissions are complicated. Will you allow methods other than EPA?

Most likely, no. We will probably use EPA methods for this source category.

Q: Will all protocols be in line with EPA rule or are we keeping any previous protocols?

We are not keeping any previously developed protocols. We will use EPA MRR protocols for consistency.

Q: Concerned about ECY rules being continuously out of sync with EPA evolving rules. Is there any way to add language to incorporate EPA changes?

We can incorporate by reference, but must reference an existing version of EPA rule. ECY can't reference future versions. As EPA makes updates, we are stuck with the version referenced in our rule until we change it. We are looking at using a petition method, in rule, so that reporters can petition us to use a more current EPA protocol that is not in our rule.

Q: For an electricity generator that must report to EPA, when do we report to ECY?

You report to ECY beginning with 2012 emissions reported by March 31, 2013.

Q: Are we considering altering the definition of facilities for certain industries?

Plan to use EPA definition of facility as much as we can. If we need a different definition for a certain sector, we will use common sense to adjust the definition. If you have ideas, we are interested in your comments.

Q: Timing – we're aware of need to move aggressively. How will we phase in Track 2 sources on such a fast track?

We will write the Track 2 sources in, as currently proposed by EPA, in our first draft. We will adjust, if needed, before we finalize our rule.

Q: Stated intent is to track EPA to the maximum extent possible. Has ECY identified any deviations from EPA reporting yet?

We have not gone through each sector in enough detail yet to know. There may be some deviations from the general provisions. For example, the EPA provision for stopping reporting does not work for our threshold – will need to adapt. We haven't identified any math or calculation methods yet that will need to change.

Q: We are a tier 2 group. We are concerned about confidentiality. How will ECY handle confidentiality?

WA has different confidentiality standards from EPA. Information that is confidential under EPA's rule is not necessarily confidential to WA. We understand it is a concern, but we are waiting for EPA to provide more specifics about what they consider confidential.

Q: Agency has authority to impose a fee. What is the current thinking on how we will derive the fee?

We are in the early phase of developing a fee structure. The first fee will be due in 2013. Because EPA is making it simpler for us to collect data on large sources, we will most likely have a flat fee for all reporters. We anticipate that fees will be less than what was proposed last year.

Q: Can you provide an example of a 10k threshold reporter?

An example would be small operations with boilers. We anticipate we will learn of additional small reporter types through the reporting process.

Q: For those reporting to EPA, when EPA changes a protocol will we petition ECY to accept EPA data?

We want to make it as simple as possible and have process in rule.

Q: Are stationary fuel suppliers required to report directly to Ecology under this rule or is reporting just required for mobile fuels? For example, diesel trucks vs. natural gas boilers.

Only suppliers of transportation fuels as defined by DOL's fuel tax reporting system are required to report to us. If you are not required to report to DOL, then you are also exempt from this program.

Q: When do you plan to have draft – by end of June?

Yes – we will have a draft rule available in advance of July 6th meeting.

10:00 am – ended meeting.