

**Greenhouse Gas Reporting Rule Advisory Committee**  
**Meeting Notes for May 29, 2009**  
*(Eighth Meeting)*

**Location:** Ecology Headquarters Building, Lacey

**Time:** 9:00 AM – Noon

***Meeting Objectives:***

- Brief overview of changes since the last draft
- Review and comment on draft rule language
- Review next steps in rulemaking process

***Advisory Committee Members Present:***

Ken Johnson (Weyerhaeuser), Dave Moore (Boeing), Janet Benish (Costco Wholesale), Van Collins (WA Construction Industry Council), Bryan Bazard (WA Department of General Administration), Greg Hansen (WA Department of Transportation), Conan O'Sullivan (WA Refuse & Recycling Association), Collins Sprague (Avista), Dave Warren (WA PUD Association), Craig Smith (NW Food Processors Association), Raj Vhan (Enterprise Rental Car), Michelle Parvinen (WA State Transit Association), Sheri Sawyer (Association of Washington Cities)

***Staff Members Present:***

Ecology Staff: Nancy Pritchett, Neil Caudill, Sarah Rees, Alan Newman

Attorney General's Office: Kay Shirey (Assistant Attorney General)

***Observers Present:***

Pete Hildebrandt (Alcoa/WSPA), Jody Snyder (LRI), Grant Nelson (AWB), Jim LaSpina (EFSEC), Tom Payant (Snohomish PUD), Maren Seibold (Trinity Consultants), Corinne Grande (Seattle City Light), Alex Schay (Carbon Solutions NW), David Newsad (HCG, Inc), Steve Buckner (multiple clients), Scott Inloes (WaferTech), Tim Gugerty (City of Seattle), Ben Buchholz (Coyne Jesernig, LLC), Stephen Higgs (Perkins Coie), Anthony Chavez (Weyerhaeuser), Nancy Atwood (PSE), Lisa Riener (Quinalt)

**Meeting Notes:**

The meeting convened at 9:00, with an agenda overview. Discussion questions and comments from the morning sessions are noted below by topic.

**Comparison between the March 31<sup>st</sup>, 2009 and May 22<sup>nd</sup>, 2009 Draft Rule**

Neil Caudill gave a brief overview of the differences between the March 31<sup>st</sup>, 2009 and May 22<sup>nd</sup>, 2009 versions of the draft rule. A timeline of the next steps in the rule-making

process was also discussed. You can access the presentation at [http://www.ecy.wa.gov/programs/air/pdfs/GHG2009Rule\\_Version\\_Comparison\\_Presentation.pdf](http://www.ecy.wa.gov/programs/air/pdfs/GHG2009Rule_Version_Comparison_Presentation.pdf).

## **Review and Comment on Draft Rule Language**

Open forum for the Advisory Committee to review and comment on draft rule language. The comments, questions, and responses are organized by topic below.

### **Thresholds**

**C:** *Update flow chart to clarify when on-road motor vehicles should be included – do not rely on “source or combination of sources”.*

**C:** *Keep 10,000 MT and 2,500 MT thresholds completely separate.*

### **Organizations / sites**

**Q:** *How are the reporting boundaries established for the construction industry? Some of the emissions begin offsite, are transported to the site, and eventually become part of the building (Asphalt, refrigerants, utilities, etc).*

**A:** Responsibility is based on operational control.

**Q:** *How would Seatac report?*

**A:** Operational control.

**Q:** *How has parent/subsidiary reporting been replaced?*

**A:** For the first few years sites are separate, but the accounts are linked.

**Q:** *Operational control can present problems, especially when reporting on the organizational level. Parent / subsidiary relationships are complicated, even for wholly owned subsidiaries. Companies do not always have centralized information. TCR uses a different system than financial accounting protocols. This could lead to enforcement problems. Who signs the reports?*

**A:** The intent is to look for who has operational control, which is often defined by who would have environmental permits for the activity. By reporting each site separately, the system should allow for individuals with more day to day operational knowledge entering the data.

**Q:** *Why look at organizational level at all, why not just report by site?*

**A:** This comes from the statute and would require a statutory amendment to change.

**C:** *Clarify how local governments would be required to report in the rule.*

### **Dropping below the threshold**

**C:** *Ability to petition to end the 3 year reporting requirement after dropping below the threshold is a good addition.*

**C:** *Notification or an informal method would be better, want to avoid hearings.*

- C:** *Make the distinction between cap and trade and 25,000 MT clearer.*
- C:** *Reporting emissions for any period when under the threshold is inconsistent with the statute.*
- A:** Ecology's interpretation of the statute allows the three year buffer for facilities to confirm the change is permanent instead of due to temporary variations.

### **Mobile sources**

- C:** *Clarify the definition for mobile sources when applying the "for transportation of people or cargo". Consider defining people as more than 1 person. It could be easier just to report all fuel and not separate sources.*
- C:** *If multiple mobile sources of the same category fuel from the same tank, just report total fuel use.*
- A:** Ecology would accept that in most cases, as long as the reporter errs on the side of over reporting and is clear about their methods. However, if the reporter wants to omit the emissions from mobile sources that do not transport people or cargo they can.
- C:** *It would be helpful to have a list of examples of what qualifies as a mobile source for transporting people or cargo.*
- C:** *Add a method to 055's aircraft section permitting fuel purchase location.*
- A:** We will look into it, but if it is added it would probably need to be for limited cases.
- C:** *On the organizational level, multiple methods might need to be used for a given mobile source type for different parts of the organization.*
- C:** *Numerous fleet / mobile sources definitions are confusing.*

### **Deadlines**

- C:** *April 1<sup>st</sup> deadline is difficult, especially for utilities/indirect emissions.*
- A:** April 1<sup>st</sup> deadline is for emissions subject to verification, which does not include indirect emissions. Also, the requirement for the CTED factor is for the most recent available data. EPA proposes a March 31<sup>st</sup> deadline for all emissions.
- Q:** *Why separate deadlines for emissions subject to third party verification and non-third party verified emissions?*
- A:** Need to get information to verifier.
- Q:** *Why does a verifier have more time to complete the report than the reporter? It should be reversed.*
- A:** A reporter can work on data throughout the year, but the verifier cannot start until April 1<sup>st</sup>.

### **Verification**

**Q:** *If federal government starts cap and trade, but not third party verification, will it trigger verification in Washington?*

**A:** Yes.

**C:** *Verification should only be required if also in the federal cap and trade program.*

**Q:** *Clarify what “participating” means. If EPA phases in cap and trade, would third party become effective when the first source is required to participate statewide, companywide, or source wide?*

**A:** Only emissions subject to cap and trade are required to third party verify.

**C:** *Clarify if the requirements relate to cap and trade or 25,000 MT.*

### **Quantification methods**

**C:** *Do not specify protocols or use very simplified protocols.*

**A:** *Specifying protocols ensures that the emissions reported are consistent between reporters in each sector. We want have reliable and comparable data.*

**C:** *Phase in the use of protocols, 2009 reporters can use any method they want.*

**C:** *Change section 170 so that if the EPA rule is finalized soon then Washington will defer all protocols until they can match up.*

**A:** *We don't anticipate EPA finalizing its rule soon. When there is a final EPA reporting rule, Ecology will amend WAC 173-441, as needed, to be consistent with federal reporting requirements.*

**C:** *TCR methods are too complex and have tight deadlines.*

**Q:** *TCR references are for the May version, what about the updates?*

**A:** Just the May version for now. We will look into it more.

**Q:** *The rule requires lots of detail. Is this from the statute or Ecology?*

**A:** We are only requiring the information we think is needed to meet the requirements in the statute.

### **Indirect emissions**

**Q:** *Will CTED publish the factors for the fuel mix report method?*

**A:** The goal is for the factors to be published on a CTED or Ecology website, perhaps included in the automated report as well.

**Q:** *Will the method factor in RECs?*

**A:** We will need to check with the staff member responsible for that section.

**Q:** *For the method in Appendix B, is this still in development, and if so, will there be a public comment period?*

**A:** We will need to check with CTED.

**C:** *Don't include indirect emissions for 2009.*

### **De minimis**

**C:** *Use the EPA 50 lbs refrigerant capacity for de minimis for refrigeration and air conditioning.*

**A:** The high GWP of refrigerants makes systems of <50 lbs capacity important, many systems add up. We plan to include a refrigerant simplified estimation method calculator with the workshops this summer to help.

**C:** *The 5 metric ton de minimis requires you to do the calculations for the site to know that you meet the de minimis level.*

### **Report submission**

**Q:** *What will the report system look like? Will it include automation and factors?*

**A:** It will be a web based form. It should include many of the emissions factors and calculations.

### **Record retention**

**C:** *7 years is too long, use 5.*

**Q:** *Does the 15 day submission requirement in section 125(2) apply to data summaries or receipts?*

**A:** Most likely the data summary, with the supporting evidence submitted later as needed, but we will look into it.

### **Fees**

**Q:** *What will the fees be?*

**A:** That depends on workload analysis which has not been done yet, but a rough initial estimate is about \$200 for the base fee (and on-road fleets) up to about \$1,500 for large reporters.

### **Confidentiality**

**Q:** *What is confidential and how would information be protected? Quantities of individual gases could reveal too much. For example: multiple types of HFCs used in a process.*

**A:** Organizations could petition to keep certain information confidential. Ecology currently requires quantities of each gas to be reported. This is needed as each HFC has a different GWP. The petition could be that the only information made public would be the total quantity of HFCs.

**Q:** *Who is liable if TCR releases confidential information?*

**A:** Mostly likely Ecology.

### **Economic analysis**

***Q: How does Ecology estimate who will be a reporter? Who are they? If Ecology provides the list to the committee, they can help look for gaps. Carbon Solutions NW volunteered to share their list.***

***A: We will look into this.***

***C: Need to focus on the least burdensome analysis – this is not a simple item.***

***A: Our economist has been involved with the rule-making for some time, but will do most of the work between when the rule is submitted to the Rules Unit and the CR-102 filing.***

***C: De minimis (site vs. source) and general flexibility are examples of places for improvement in this area.***

### **Rule development**

***C: Goal of January 2, 2010 rule effective date is tight and does not leave much room for comments.***

***Q: Would cap and trade help fund reporting?***

***A: We don't know.***

### **Executive Order**

***Q: Why not put off 2009 reporting and use the estimate requirement in the Executive Order or some hybrid instead?***

***A: They serve different purposes and the reporting rule statute requires 2009 reporting.***

***Q: Is the 25,000 MT CO<sub>2</sub>e threshold in the Executive Order for direct or total emissions? What about mobile sources or site vs. organization?***

***A: We are still in the early stages of interpreting it, but our first guess is direct emissions.***

***Meeting Adjournment:***

***noon***