



Draft Rule Review - WAC 173-441
February 12, 2009



WAC 173-441-030 Applicability

1) Reporting thresholds.

- a) Fleets of on-road motor vehicles – 2,500 MT of CO₂e
- b) Sources or combination of sources – 10,000 MT of CO₂e
 - Includes stationary and mobile sources



WAC 173-441-030 Applicability

Summary:

- Only include direct emissions to determine if you meet the threshold
- Include emissions generated in WA from interstate or international mobile sources
- After you meet the threshold – report total emissions (direct + indirect)



WAC 173-441-030 Applicability

- 2) Phasing – refers a reporter to 070 section on Phasing
- 3) Meeting reporting thresholds
 - a) Fleets of on-road motor vehicles
 - Use calculation methods in 173-441-110
 - Report if $\geq 2,500$ MT of CO₂e
 - If $< 2,500$ CO₂e, may need to report on-road motor vehicle emissions under the source or combination of sources threshold



WAC 173-441-030 Applicability

- 3 b) Source or combination of sources of emissions.
- Use calculation methods in 173-441-100
 - Only include direct emissions when determining if you meet the 10,000 MT CO₂e reporting threshold
 - If direct emissions \geq 10,000 MT CO₂e: Report total emissions
 - If on-road motor vehicle emissions are not reported under 2,500 MT threshold, must include in this section



WAC 173-441-040 Falling Below Reporting Thresholds

- If a reporter's emissions fall below the threshold:
 - Continue to submit emissions reports for a minimum of 3 years
 - If emissions remain below reporting threshold for 3 years, not required to report until emissions exceed the threshold again.



WAC 173-441-050 Reporting Responsibility

1) Operational Control

a(i) Leased fleet of on-road motor vehicles

- Ability to track fuel use, emissions or mileage

a(ii) Leased source or combination of sources

- Stationary sources – Ability to track fuel use or emissions
- Mobile sources – Ability to track fuel use, emissions or mileage



Phasing – RCW 70.94.151(5)(a)

“The department may phase in the reporting requirements for sources or combinations of sources under (a)(ii) of this subsection until the reporting threshold is met, which must be met by January 1, 2012.”

- On-road motor vehicle fleets cannot be phased
- All applicable 2012 emissions must be included in 2013 report – no more phasing



WAC 173-441-060 Reporting Requirements for Owners or Operators of Aircraft

Beginning with 2012 emissions reported in 2013:

- Report emissions from air travel that originates and ends within Washington state.
- Emissions are included in the 10,000 MT of CO₂e “sources and combination of sources” reporting threshold.
- Emissions from interstate and international air travel is deferred.



Phasing – WAC 173-441-070

Draft Rule Subsection	Emissions Year	Reporting Level	Reporting Threshold for a Source or Combination of Sources of Emissions
070(1) (a-f)	2009 (2010 report)	Site specific	≥ 25,000 MT CO ₂ e
070(2) (a-f)	2010 (2011 report)	Site specific	≥ 10,000 MT CO ₂ e
070(3)(a-c)	2011 (2012 report) and later	State wide emissions	≥ 10,000 MT CO ₂ e



WAC 173-441-080 Emissions Reporting and Certification Schedule

- All reporters must identify a Designated Representative
- Des. Representative must certify emissions
 - 1) Fleets of on-road motor vehicles – Certified emissions report due by October 31 (*beginning with 2009 emissions reported in 2010*)
 - 2) Source or combination of sources
 - a) Certified emissions report due October 31 if not subject to 3rd party verification (*beginning with 2009 emissions reported in 2010*)
 - b) Certified emissions report due April 1 if subject to 3rd party verification (*beginning with 2010 emissions reported in 2011*)



WAC 173-441-090 Third Party Verification of Reported Emissions

1) Third party verification threshold:

- Only applies to emissions from a source or combination of sources.
- 2009 emissions reported in 2010
 - 3rd party verification not required
- 2010 emissions reported in 2011
 - $\geq 25,000$ MT CO₂e of direct emissions: 3rd party verification required



WAC 173-441-090. Third Party Verification of Reported Emissions

- 2) Falling below verification threshold of 25,000 MT of CO₂e
 - a) Direct emissions \geq 10,000 MT, but $<$ 25,000 MT of CO₂e
 - i) Full 3rd party verification first year
 - ii) Continue verification until direct emissions are $<$ 25,000 MT for at least 3 years
 - iii) After positive verification statement, may do streamlined for next two years
 - iv) If direct emissions remain between 10,000 and 25,000 MT of CO₂e after three years – not subject to third party verification until emissions are \geq 25,000 MT of CO₂e again.



WAC 173-441-090. Third Party Verification of Reported Emissions

2b) Falling below 10,000 MT of CO₂e reporting threshold

- i) Continue verification until direct emissions are < 10,000 MT for at least 3 years
- ii) Full 3rd party verification first year
- ii) After positive verification statement, may do streamlined for next two years
- iv) If direct emissions remain below 10,000 MT of CO₂e after three years – not subject to reporting and verification until emissions are ≥10,000 MT of CO₂e again.



WAC 173-441-090. Third Party Verification of Reported Emissions

- 3) Accreditation – All accreditation bodies must demonstrate to Ecology that:
- a) They meet the requirements of ISO 14065:2007*
 - b) They have knowledge of the reporting and verification requirements of Chapter 173-441 WAC

* International Organization of Standards 14065:2007 Greenhouse Gases – Requirements for Greenhouse Gas Validation and Verification Bodies for Use in Accreditation or Other Forms of Recognition



WAC 173-441-090. Third Party Verification of Reported Emissions

4) Verification Cycle

- a) Full verification required in first year.

After receiving positive verification statement,
may do streamlined verification for two years.

Full verification required at least once every
three years

- 5) Verification statement due by September 1 for
previous calendar year emissions



WAC 173-441-090(6)

Verification Process

- Reporter selects an accredited third party verification body (VB)
- VB conducts a conflict of interest (COI) assessment
- Ecology reviews and approves the COI Assessment
- VB prepares verification plan
- VB implements verification plan
- VB prepares a verification statement



WAC 173-441-090(6)(a)

Conflict of Interest Assessment

6a) Follow TCR's GVP, Version 1, May 2008, Part 3

- Must not create or appear to create a high COI
- ISO 14065 requires credibility, independence and transparency
- Examples of high COI:
 - VB and reporter share management
 - VB has provided GHG consultancy services to the reporter
 - VB has provided non-GHG consultancy services that may influence impartiality
 - A member of the verification team has worked for the reporter within the past three years

Conflict of Interest – Mitigation

- Mitigation not an option:
 - VB prepared the reporter's GHG inventory
 - VB has provided verification services for six consecutive years (must be at least a 3 year break in service)

- Mitigation a COI:
 - Demonstrate that any conflicted individuals on a verification team have been removed from the project
 - Explain changes in organizational structure of verification team to address conflict



WAC 173-441-090(6)(b)

Verification Plan

6b) Follow TCR's GVP, Version 1, May 2008, Part 4

– Prepare and implement verification plan:

- Assess conformance with Washington's GHG Reporting Rule (WAC 173-441)
- Assess completeness of the reporter's GHG inventory
- *Perform a risk assessment based on review of information systems and controls*
- Selecting samples/developing a sampling plan
- *Verifying emissions estimates against verification criteria*

Bullet items in italics are required for streamlined verification



WAC 173-441-090(6)(c)

Verification Report

6c) Follow TCR's GVP, Version 1, May 2008, Part 5

- Verification report must include, at a minimum:
 - Scope, objectives, criteria and level of assurance
 - Description of the verification plan
 - The standard used to verify emissions (e.g. TCR's GRP)
 - List of facilities and/or emissions sources not using methods prescribed in WAC 173-441
 - Description of the sampling plan
 - Evaluation of whether the emissions report complies with WAC 173-441
 - List of all discovered discrepancies and percentage of the total emissions
 - Verification report is provided to reporter (provided to Ecology upon request)



WAC 173-441-090(6)(d)

Verification Statement

- 6d) Follow TCR's GVP, Version 1, May 2008, Part 5
- VB prepares a verification statement (a form will be available)
 - Verification statement documents the verification activities and results
 - VB shares verification statement with reporter before submitting to Ecology
 - Reporter has opportunity to correct any errors found by VB
 - Verification statement is submitted to Ecology



WAC 173-441-090 Third Party Verification of Reported Emissions

Emission Year	Reporting Level	Reporting Threshold for Sources and Combinations of Sources	Third Party Verification
2009 (2010 report)	Site specific	$\geq 25,000$ MT CO ₂ e	Not required
2010 (2011 report)	Site specific	$\geq 10,000$ MT CO ₂ e	$\geq 25,000$ MT CO ₂ e of direct emissions
2011 (2012 report) and later	State wide emissions	$\geq 10,000$ MT CO ₂ e	$\geq 25,000$ MT CO ₂ e of direct emissions



Climate Change

global warming

Questions?