

DRAFT RULE LANGUAGE For Advisory Committee Review

Chapter 173-441 WAC Reporting Emissions of Greenhouse Gases

**NOTE: This document contains draft language only related to
Section 030 - Applicability**

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WAC 173-441-010. Purpose. The purpose of this rule is to develop a comprehensive inventory of greenhouse gas emissions in Washington State by establishing a reporting and verification system for emissions of greenhouse gases, as promulgated in Chapter 70.94 RCW. An inventory of greenhouse gas emissions will support the legislature’s intent to limit and reduce emissions of greenhouse gases consistent with the emissions reductions established in RCW 70.235.020.

WAC 173-441-020. Definitions. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise:
(NOTE: The following is a partial list of definitions. These definitions are included here to help with the understanding of Section 030. Other definitions will be added as remaining sections are drafted)

“Capital lease” means a lease which transfers substantially all the risks and rewards of ownership to the lessee and is accounted for as an asset on the balance sheet of the lessee. Also known as a finance lease or financial lease.

“Carbon dioxide equivalents” means a metric measure used to compare the emissions from various greenhouse gases based upon their global warming potential.

“Direct emissions” means emissions of greenhouse gases from sources of emissions, including stationary combustion sources, mobile combustion emissions, process emissions, and fugitive emissions.

“Finance lease” means the same as capital lease.

“Greenhouse gas” and “greenhouse gases” includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

“Indirect emissions” means emissions of greenhouse gases associated with the purchase of electricity, heating, cooling, or steam.

“Mobile source” means

- a) mobile combustion sources for transporting people or cargo and includes on-road motor vehicles, aircraft, trains, and marine vessels; and
- b) mobile combustion sources that operate exclusively on the grounds of a single facility such as off-road trucks, mobile cranes, forklifts, front-end loaders, and mining or construction equipment.

“Operating lease” means a lease which does not transfer the risks and rewards of ownership to the lessee and is not recorded as an asset in the balance sheet of the lessee.

“Operator” means the entity having operational control of a source or combination of sources of greenhouse gas emissions.

“Operational control” means the authority to introduce and implement operating, environmental, health and safety policies. When this authority is shared among multiple entities, the entity holding the operating license is considered to have operational control.

“Owner” means the entity that wholly owns or partially owns a source or combination of sources of greenhouse gas emissions.

“Source” means any stationary source or mobile source of greenhouse gas emissions.

“Stationary source” means any building, structure, facility, or installation that emits or may emit greenhouse gases.

“Total emissions of greenhouse gases” means all direct emissions and all indirect emissions.

WAC 173-441-030. Applicability.**Reporting thresholds**

- 1) Chapter 173-441 WAC applies to:
 - a) The owner or operator of any fleet of on-road motor vehicles that has direct emissions of at least 2,500 metric tons of greenhouse gases, expressed as carbon dioxide equivalent, annually in the state; and
 - b) The owner or operator of any source or combination of sources located in Washington state that have direct emissions of at least 10,000 metric tons of greenhouse gases, expressed as carbon dioxide equivalent, annually.

Meeting reporting thresholds

- 2) Owners or operators of sources or combinations of sources shall include emissions from their on-road motor vehicles in determining whether or not greenhouse gas emissions from the sources they own or operate meet the 10,000 metric tons of carbon dioxide equivalent annual reporting threshold.
- 3) If owners or operators determine that emission from their sources or combinations of sources meet the 10,000 metric ton annual reporting threshold, they shall include in their greenhouse gas reporting the emissions from all on-road motor vehicles.
- 4) If owners or operators determine that emissions from their sources or combinations of sources do not meet the 10,000 metric tons of carbon dioxide equivalent annual reporting threshold, they shall determine whether their on-road motor vehicles meet the 2,500 metric tons of carbon dioxide equivalent annual reporting threshold for fleets of on-road motor vehicles.
- 5) If emissions from the fleet of on-road motor vehicles meet the 2,500 metric tons of carbon dioxide equivalent annual reporting threshold, the emissions from the fleet must be reported.
- 6) If emissions from the fleet of on-road motor vehicles do not meet the 2,500 metric tons of carbon dioxide equivalent annual reporting threshold, and the emissions from associated sources or combinations of sources do not meet the 10,000 metric tons carbon dioxide equivalent annual reporting threshold, the owner or operator's greenhouse gas emissions need not be reported.

Reporting Responsibility

- 7) Operational Control. The operator is responsible for reporting the total emissions of greenhouse gases from those sources or combinations of sources meeting the thresholds established in WAC 173-441-030(1) - (3).
- 8) Leased stationary or mobile sources.
 - a) Finance or capital lease. The lessee is considered to have operational control under a finance or capital lease and is responsible for reporting total emissions of greenhouse gases from those sources or combinations of sources meeting the thresholds established in WAC 173-441-030(1) - (3).

- b) Operating lease.
 - i. When the lessee controls the usage and maintenance of the stationary or mobile sources under an operating lease, the lessee is considered to have operational control and is responsible for reporting total emissions of greenhouse gases from those sources or combinations of sources under the operating lease that meet the thresholds established in WAC 173-441-030(1) - (3).
 - ii. When the lessor retains control of the usage and maintenance of the stationary or mobile sources under an operating lease, the lessor is considered to have operational control and is responsible for reporting total emissions of greenhouse gases from those sources or combinations of sources within an operating lease that meet the thresholds established in WAC 173-441-030(1) – (3).

Deferred reporting

- 9) Greenhouse gas emissions from interstate and international commercial aircraft, rail, truck, and marine vessels need not be reported. Ecology will amend this rule to require reporting from these sources when
 - a) There is a federal requirement to report these emissions; or
 - b) The department finds that there is a generally accepted reporting protocol for determining interstate emissions from these sources.