

# PREPROPOSAL STATEMENT OF INQUIRY



## CR-101 (October 2017) (Implements RCW 34.05.310)

Do NOT use for expedited rule making

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: May 25, 2023

TIME: 8:03 AM

WSR 23-12-011

**Agency:** Department of Ecology AO #22-18

**Subject of possible rule making:** The rulemaking will adopt a new chapter in the Washington Administrative Code, Chapter 173-446B WAC, Climate Commitment Act Funds Reporting. The rule will establish reporting requirements for recipients of cap-and-invest auction revenue so that Ecology can complete annual reports to the state legislature, as required by the Climate Commitment Act (RCW 70A.65.300). It will define what, when, and how recipients must report their expenditures to Ecology. Additionally, the rule will outline the process to determine whether projects result in greenhouse gas (GHG) emissions reductions. For projects that do, it will outline the process to calculate the quantity of GHG emissions reduced.

**Statutes authorizing the agency to adopt rules on this subject:** CLIMATE COMMITMENT ACT--CAP AND INVEST PROGRAM RCW 70A.65.300

**Reasons why rules on this subject may be needed and what they might accomplish:** This rulemaking is required by RCW 70A.65.300(3). The data submitted based on the rule's requirements will allow Ecology to produce an annual report to the legislature, as required by RCW 70A.65.300(1). This rulemaking will also outline the process to determine the GHG emissions reductions resulting from emissions-reducing projects. Information about emissions reductions and cost-benefit ratios will be included in Ecology's annual report.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** This rulemaking will set requirements for recipients of auction revenue. Other state entities that regulate or have interest in this subject are the Office of Financial Management (OFM), the Governor's Office, the Environmental Justice Council, and the legislature. We plan to coordinate with the regulated agencies through OFM, by seeking the input of agency budget directors and other designated staff concerned with climate accounts. We also plan to work with Commerce's State Efficiency and Environmental Performance Office to seek the input of state agency staff involved in estimating greenhouse gas reductions for state agency operations. We will work with the Environmental Justice Council, particularly on the issue of how we report on expenditures in overburdened communities. We are communicating with California Air Resources Board staff who work on similar topics in California to understand the best approaches to developing methodologies and receiving data from agencies.

**Process for developing new rule (check all that apply):**

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe)

Ecology will follow the standard process for the adoption of rules under the Administrative Procedure Act (Chapter 34.05 RCW).

**Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:**

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(If necessary)  
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TTY: For Washington Relay Service or TTY call 711 or 877-833-6341.  
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Web site: <https://ecology.wa.gov/Regulations-Permits/Laws-rules-rulemaking/Rulemaking/WAC-173-446B>  
Other: Sign up to receive email notices:  
[https://public.govdelivery.com/accounts/WAECY/subscriber/new?topic\\_id=WAECY\\_285](https://public.govdelivery.com/accounts/WAECY/subscriber/new?topic_id=WAECY_285)

Phone:  
Fax:  
TTY:  
Email:  
Web site:  
  
Other:

Additional comments: Interested parties can stay informed about the rulemaking and public involvement opportunities as described above. Ecology will extend an offer for government-to-government consultation with Tribal governments during each phase of rule development.

**Date:** 5/25/2023  
**Name:** Kathy Taylor  
**Title:** Air Quality Program Manager

**Signature:**  
