



Chapter 173-441 WAC - Reporting of Emissions of Greenhouse Gases

Rulemaking
Air Quality Program

July 22, 2021

**Welcome to the
WAC 173-441 - Reporting of Emissions of
Greenhouse Gases Rulemaking
Stakeholder Meeting**

We will begin at 10 a.m. PDT

We will do sound checks 10 and 5 minutes before start.

Sound Check

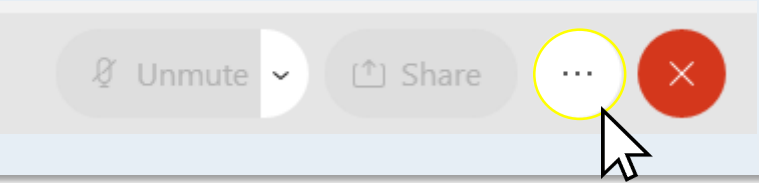
No sound? Connect your audio and listen for a sound check before we start.

Please note that all attendees are muted.

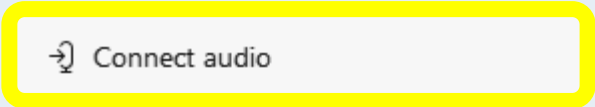
To change your audio connection.



1 Click on the 'More Options' button at the bottom of your screen.

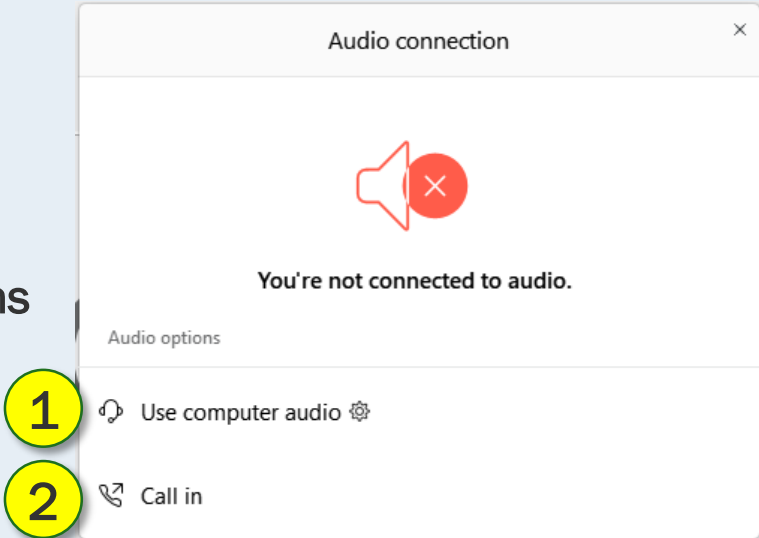


2 Select "Connect Audio" button.



3 Select Audio Connection

2
Options

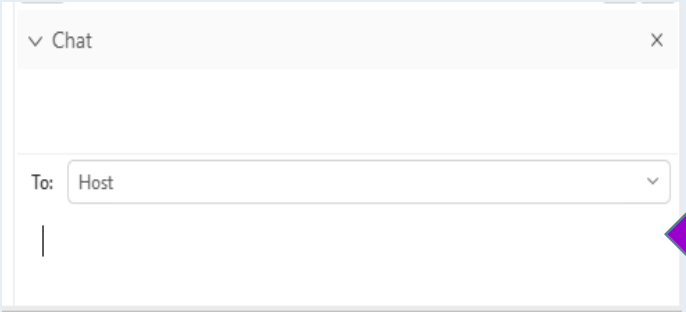
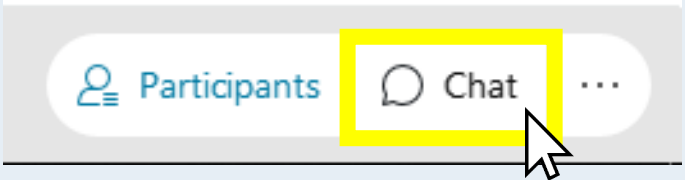


If you select "Call In" the system will provide you with a phone number and entry information.

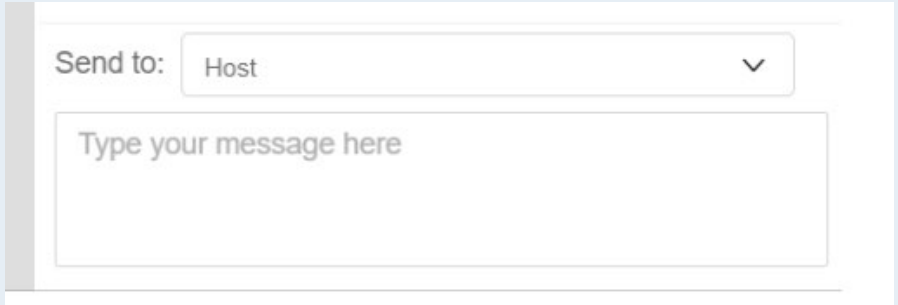
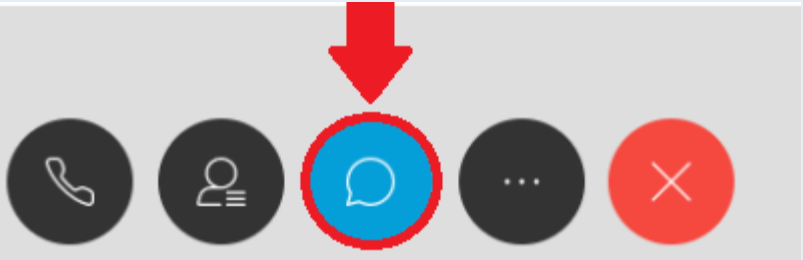
How to Use the Chat Function

Chat with the host for technical problems

If you are using the WebEx application:

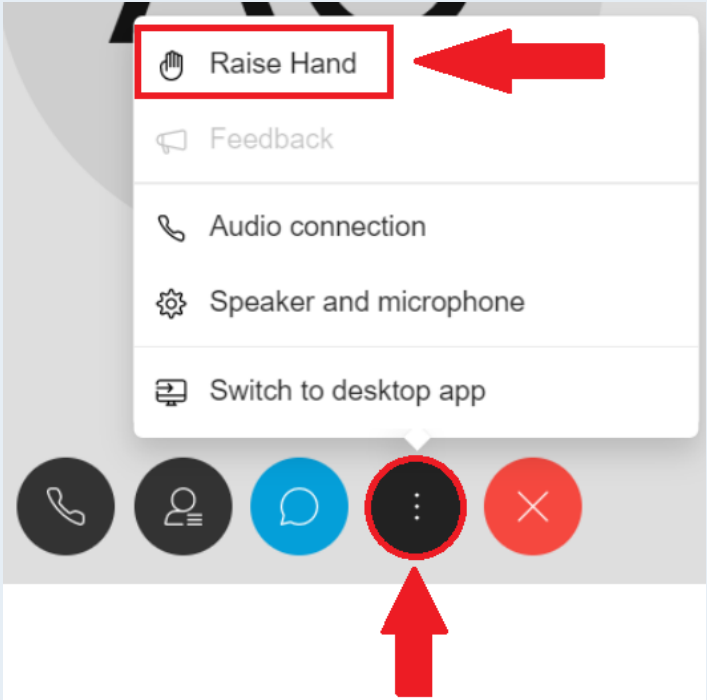


If you are using the WebEx browser:

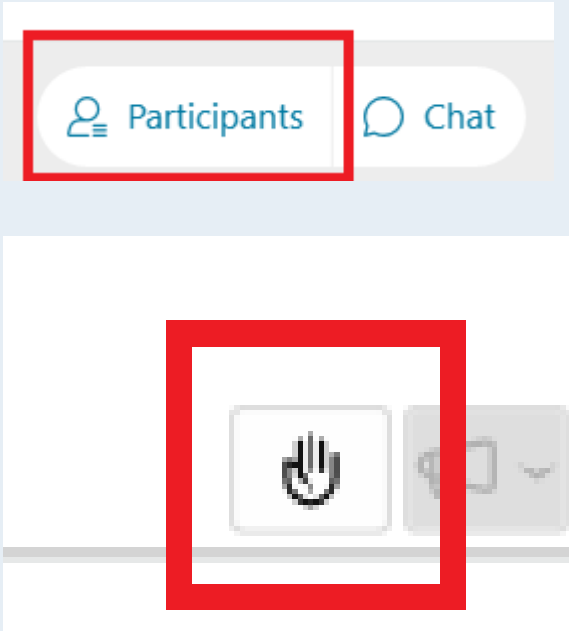


How to Use the “Raise Hand” Function

Joined by Browser



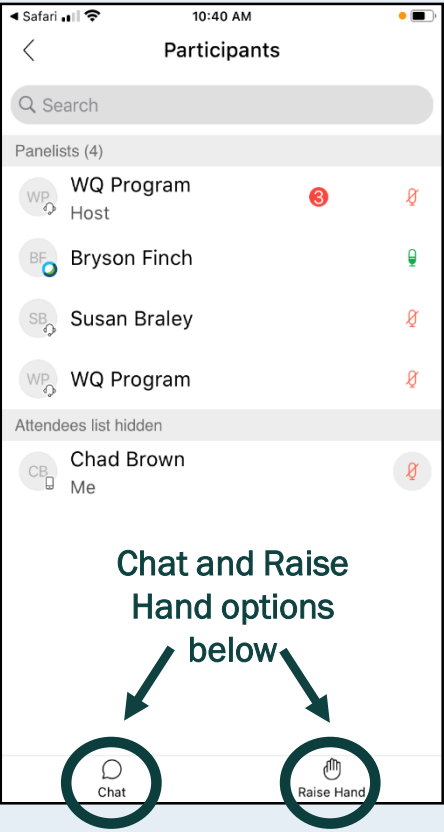
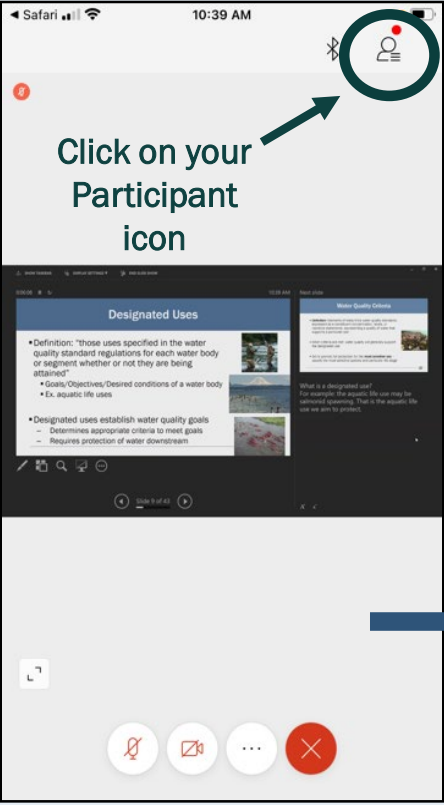
Joined by Application



Listening in by phone




For those joining WebEx via phone or tablet



How to Participate

During the comment period:

- **Participating using your computer or mobile app:** Use the “Raise Your Hand” button. This button is located in the lower right hand corner of the Participant list window. 
- **Participants listening in on the phone:** Press *3 on your phone. The system will indicate you have your hand raised. The host will then unmute you at your turn and the system will announce that you are unmuted.

Start Recording

We will begin recording at this time.



Agenda

- 1 Brief Climate Commitment Act (CCA) context
- 2 441 rulemaking process overview
- 3 441 rule changes overview
- 4 Reporting systems and schedule
- 5 Review preliminary rule text and discussion
- 6 Wrap up

GHG Reporting Rulemaking Contacts

Contact	Info	Topic
Rachel Assink	rachel.assink@ecy.wa.gov 360-407-6827	Rulemaking process, timeline, public comments
Bill Drumheller	bill.drumheller@ecy.wa.gov 360-628-4939	Electric Power Entity reporting
Emily Bruns	emily.bruns@ecy.wa.gov 360-407-6814	Supplier reporting
Laura Cladas	laura.cladas@ecy.wa.gov 360-628-0317	Verification
Neil Caudill	neil.caudill@ecy.wa.gov 360-764-9733	General provisions, rule overview, misc.
Luke Martland	luke.martland@ecy.wa.gov 360-791-1472	Climate Commitment Act manager

Climate Commitment Act (CCA) Context

- Governor Inslee signed the CCA into law on May 17, 2021.
- Caps and reduces greenhouse gas emissions from the state's largest emitting sources
- Reductions are set on a path to meet the greenhouse gas emission limits set in state law.
- The CCA also puts environmental justice and equity at the center of climate policy.
- Funds support investments in climate resiliency, clean transportation, and addressing health disparities.
- Quality data are the foundation for the program. This rulemaking builds that foundation.

Rulemaking	Announce rule	Propose rule	Adopt rule
Greenhouse Gas Reporting Rule updates (Chapter 173-441 WAC)	July 2021	Fall 2021	Early 2022 (1st Quarter)
Criteria for Emissions-Intensive Trade-Exposed Industries (Chapter 173-446A WAC)	August 2021	Winter 2021	Summer 2022
Cap-and-Invest Program Rules (Chapter 173-446 WAC)	August 2021	Spring 2022	Fall 2022

CCA Questions

- Today's meeting is focused on the GHG reporting program.
- 15 minutes for broader questions about the CCA
- More information about the CCA in later meetings
- CCA webpage: <https://ecology.wa.gov/Air-Climate/Climate-change/Greenhouse-gases/Reducing-greenhouse-gases/Climate-Commitment-Act>

441 Rulemaking Process Overview

1. Announcement Phase (We are here.)
 - Official announcement on intent to begin rulemaking
 - Rule development period begins (informal comment period)
2. Proposal Phase
 - Share proposed rule language and announce official public comment period
 - Formal comments collected online and during public hearing
3. Adoption Phase
 - Adopt final rule language
 - Response to comments is published
 - Rule is effective 31 days after adoption

441 Rulemaking Timeline

Date	Activity
July 15 – August 1, 2021	Informal public comment period
October 2021	Propose rule
October – mid-November 2021	Formal public comment period
Early November, 2021	Public hearing
February 9, 2022	Adopt rule
March 12, 2022	Rule effective (31 days after adoption)

Informal Comment Period

- Submit your comments here:

<https://aq.ecology.commentinput.com/?id=5tCmx>

Public Comment Form

1 Comment

2 Review

3 Your Copy

Commenting open: **July 15, 2021 12:00AM PT - August 01, 2021 11:59PM PT.**

**Rulemaking - Informal Comment Period for Reporting
of Emissions of Greenhouse Gases**

Rule- making Questions

- Questions about the process or timing of the GHG reporting program rulemaking

What is WAC 173-441?

- Washington's greenhouse gas (GHG) reporting program
- Started 2012
- Facilities = large stationary sources (factories, power plants, etc.)
- Transportation fuel suppliers = based on fuel tax for roads
- 10,000 metric tons carbon dioxide equivalent (MT CO₂e) per calendar year
- Just reporting, no requirements for reductions or operational changes
- Provides information for CCA, but does not set CCA requirements

441 Rule Changes Overview

- Updates to support CCA
- New data elements
- New electric power entity reporting
- Replaces Dept. of Licensing-based transportation fuel supplier reporting with California-based supplier reporting
- Adds third party verification
- Administrative: Fee allocation, everyone reports March 31, miscellaneous
- General cleanup and clarifications

Updates to Support CCA

- Remains EPA-based
 - Facilities will continue to use EPA's eGGRT
 - EPA-based calculation methods
- Moves closer to California to support regulatory program and potential linkage
 - Limits to switching reporting methods between years
 - 10-year record retention
 - Missing data requirements

New Data Elements

- Facilities:
 - Total annual electricity purchased in megawatt hours (Mwh) by utility
 - Report each fuel combusted separately by type, quantity, and units of measurement (almost all already doing this)
 - Total annual product data by NAICS code (many already doing this)
- Fuel suppliers:
 - List fuels supplied by type, quantity, and units of measurement
 - Optional: Flag if used for aviation, marine, or agricultural purposes
- All:
 - Submit more detail when curtailing or closing.
 - Describe any direct or indirect affiliation with other reporters.
 - Submit narrative if >5% change in emissions.

New Electric Power Entity Reporting

- Electricity emissions reported from first jurisdictional deliverers
 - Electric generation facilities (report as stationary source facilities)
 - Electricity importers
- Currently no greenhouse gas reporting data for electricity imports
- New reporting elements for electric power entities address this issue
- Consistency across western grid is critical to prevent double counting
- Modified California regulations as a foundation to ensure consistency
 - Include Asset Controlling Supplier language to address BPA inclusion
 - Include Energy Imbalance Market language as a foundation for EIM purchases
 - Exclude some California specific details regarding the RPS adjustment

Supplier Reporting

- Dept. of Licensing-based transportation fuel supplier reporting repealed by legislature
 - Scope too narrow – only taxable onroad transportation
 - Not enough detail – not designed for GHG accounting, unverifiable
- New system based on California supplier reporting customized for Washington
 - Scope:
 - Natural gas suppliers
 - Other fuel suppliers (petroleum, biofuels, and coal-based liquids)
 - CO₂ suppliers
 - Generally EPA calculations with some California modifications
 - California-based point of regulation

Natural Gas Supplier

- EPA-based, follows most California modifications
- Includes CO₂, CH₄, and N₂O
- Accounts for large customers (CCA coverage)
- Report using Ecology-developed spreadsheet tool uploaded into WEDGE

Other Fuel Suppliers

- All products listed in 40 CFR Part 98 Subparts LL and MM
 - Petroleum products (Table MM-1)
 - Biomass-derived fuels (Table MM-2)
 - Coal-based liquid fuels
- EPA calculation methods with some California modifications
- Includes CO₂, CH₄, and N₂O
- Not limited to transportation
- California point of compliance (~rack, imports/exports) and responsible parties (position holder)
- Report using Ecology-developed spreadsheet tool uploaded into WEDGE
- Refinery facilities also submit existing MM reports with facility report

CO₂ Suppliers

- EPA calculation methods – Subpart PP
- Washington imports/exports
- Facilities that also supply CO₂ continue submitting PP with facility reports
- Report using EPA's eGGRT uploaded into WEDGE

Third Party Verification

- Based on previous version from Clean Air Rule/California
- Included:
 - Any reporter $\geq 25,000$ MT CO₂e (inc. biogenic) or under CCA
 - All reported emissions and product data
- Due annually on July 31
- Requirements for reporters and verifiers
- Process to become a verifier; need California certification
- Ecology retains final determination of verification status
- Clarifications and more detail

Administrative

- Applicability: 10,000 MT CO₂e per year for everyone
- Everyone reports March 31. 2020 is the last emissions year with October deadline.
- Fee allocation:
 - Mandatory and voluntary reporters
 - 2-tier system for allocation:
 - Subject to verification or CCA = 90% of costs / total verification reporters
 - Not subject to verification or CCA = 10% of costs / total non-verification reporters
 - Fee eligible activities and other provisions remain the same
- Removes Clean Air Rule references
- General cleanup and clarifications

Reporting Systems and Schedule: Process

- **Plan in development: SUBJECT TO CHANGE**
- Online registration: Individuals, reporters, roles, signatures
- Report generation:
 - Facilities and CO₂ suppliers: EPA's eGGRT (main xml and IVT)
 - Suppliers and electric power entities: Ecology-specific spreadsheet
- Steps (similar to now):
 1. Generate report
 2. Secure Access Washington (SAW)
 3. AQPortal -> WEDGE (will include registration, uploads, any additional fields, and signatures)

Reporting Systems and Schedule: Timeline

- **Plan in development: SUBJECT TO CHANGE**
- Rule adoption February 2022, effective March 2022
- Reporting year 2021 (due 3/31/2022):
 - Reports due 3/31 (set by statute)
 - Possibly new WEDGE system with registration
 - Most reporters use existing methods
 - Natural gas suppliers use new system for current and back years (statute: due 3/31/2022)
 - EITEs submit production data for current and back years (to facilitate process due by 9/15/2022)
- 2022 (due 3/31/23):
 - New report content starts for everyone
- 2023 (due 3/31/24):
 - Third party verification starts (due July 31)

What Changes: New Reporters: Electric Power Entities/Some Fuel Suppliers

Change	Source
New requirement to report	statute/rule
Reporting deadline (March 31)	statute
What to report	rule
How to report: New registration system, Ecology spreadsheets, rarely EPA	process/rule
Third party verification	statute/rule
Fee	statute/rule

What Changes: Large Facilities That Also Report to EPA

Change	Source
What to report: <ul style="list-style-type: none"> • Product data • Electricity purchases • Narrative descriptions of changes 	rule
How to report: New registration system, continue using EPA for main report	process/rule
Third party verification	statute/rule
Fee: Total driven by statutory workload, split by rule (likely increase)	statute/rule

What Changes: Small Facilities That Only Report to Ecology

Change	Source
Reporting deadline (March 31)	statute
What to report: <ul style="list-style-type: none"> • Product data • Electricity purchases • Narrative descriptions of changes 	rule
How to report: New registration system, continue using EPA for main report	process/rule
Third party verification (only a few facilities with biogenic emissions $\geq 25,000$ MT CO ₂ e)	statute/rule
Fee: Total driven by statutory workload, split by rule (about same, perhaps decrease)	statute/rule

What Changes: Existing Fuel Suppliers

Change	Source
Reporting responsibility (who, what, point of regulation)	statute/rule
Reporting deadline (March 31)	statute
What to report: <ul style="list-style-type: none"> • Fuel details • Optional: Flag by purpose • Narrative descriptions of changes 	rule
How to report: New registration system, new detailed Ecology spreadsheets, rarely EPA	process/rule
Third party verification (if $\geq 25,000$ MT CO ₂ e)	statute/rule
Fee: Total driven by statutory workload, split by rule (new)	statute/rule

Rule Overview Questions

- Questions about the GHG reporting program rulemaking content
- Next: Walkthrough of draft rule text for specific questions and discussion

End Recording

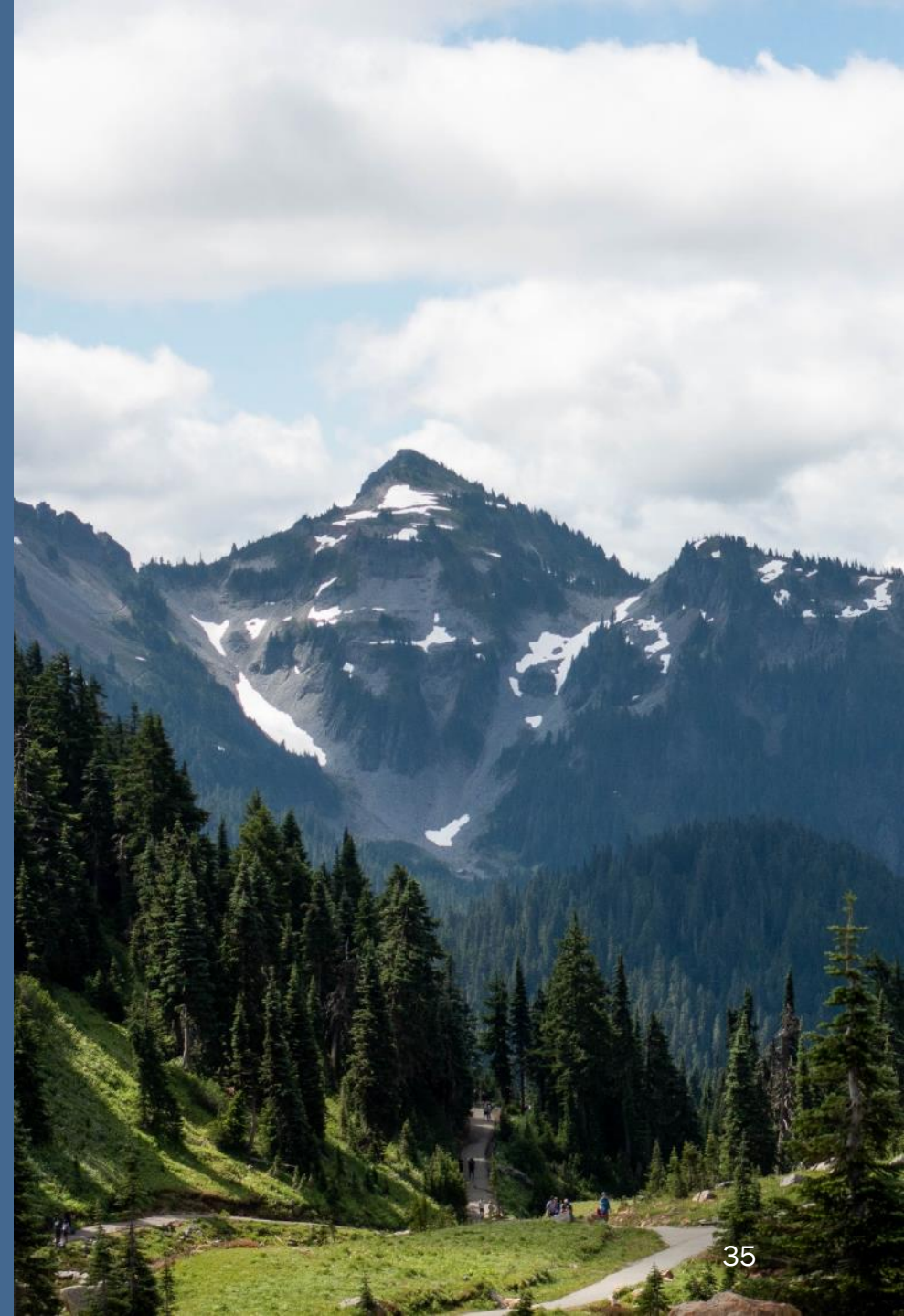
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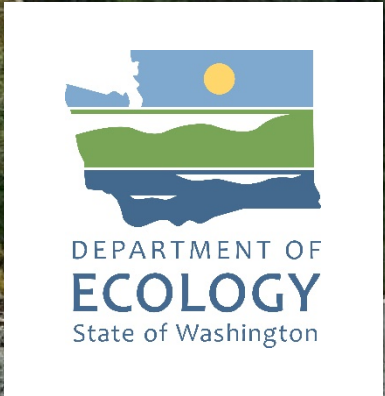




Review Draft Rule Text

[https://ecology.wa.gov/Asset-Collections/Doc-Assets/Rulemaking/AQ/WAC173-441_-21-07/Draft-rule-language-\(WAC-173-441\)-07-22-21](https://ecology.wa.gov/Asset-Collections/Doc-Assets/Rulemaking/AQ/WAC173-441_-21-07/Draft-rule-language-(WAC-173-441)-07-22-21)





Thank you

Comments due 8/1/2021

Submit your comments here:
<https://aq.ecology.commentinput.com/?id=5tCmx>