



# PREPROPOSAL STATEMENT OF INQUIRY

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

Do **NOT** use for expedited rule making

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DATE: October 18, 2019

TIME: 1:39 PM

WSR 19-21-123

**Agency:** Department of Ecology AO #19-08

**Subject of possible rule making:**

The Washington Department of Ecology (Ecology) is beginning rulemaking for Chapter 173-444 WAC – Clean Energy Transformation Rule - to implement parts of the Washington Clean Energy Transformation Act (CETA, Chapter 19.405 RCW), which was passed into law in 2019.

We will address the following in this rule:

- Establishing a process for determining what types of energy transformation projects may be eligible for compliance with CETA.
- Establishing a process and requirements for developing the standards, methodologies, and procedures for evaluating energy transformation projects.
- Providing greenhouse gas emission factors for electricity.

This new rule will affect electric utilities covered by CETA, and be of interest to energy-related project developers and parties interested in the implementation of CETA.

**Statutes authorizing the agency to adopt rules on this subject:** Chapter 19.405 RCW - Washington Clean Energy Transformation Act

**Reasons why rules on this subject may be needed and what they might accomplish:**

CETA directs Ecology to adopt rules, by January 1, 2021, that:

- Establish requirements for energy-related projects that reduce greenhouse gas emissions and fossil fuel consumption, referred to as energy transformation projects, in consultation with the Utilities and Transportation Commission (UTC) and the Department of Commerce (Commerce). Electric utilities may use these energy transformation projects as an alternative compliance option to meet the greenhouse gas neutral standard under CETA.
- Determine greenhouse gas emission factors for electricity, in consultation with Commerce.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** Commerce and UTC are the primary agencies implementing CETA. Ecology will consult with Commerce and UTC periodically to meet the goal of CETA.

**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 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:**

Name: Debebe Dererie  
Address: Department of Ecology  
Air Quality Program  
P.O. Box 47600  
Olympia, WA 98504-7600

(If necessary)

Name:  
Address:

Phone: 360-407-7558

Phone:

Fax: N/A

Fax:

TTY: People with speech disability may call TTY at 877-833-6341. People with impaired hearing may call Washington

Relay Service at 711.

Email: [debebe.dererie@ecy.wa.gov](mailto:debebe.dererie@ecy.wa.gov)

Email:

Web site: <https://ecology.wa.gov/Regulations-Permits/Laws-rules-rulemaking/Rulemaking/WAC-173-444>

Web site:

Other: To receive email notices on this rulemaking, sign up here: <http://listserv.ecology.wa.gov/scripts/wa-ECOLOGY.exe?SUBED1=ECOLOGY-CLEAN-ENERGY-UPDATES&A=1>

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.

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| <b>Date:</b> October 18, 2019             | <b>Signature:</b><br> |
| <b>Name:</b> Kathy Taylor                 |   |
| <b>Title:</b> Air Quality Program Manager |   |