Greenhouse Gas Assessment for Projects (GAP) Rulemaking

October 2020 WEBINAR

DEPARTMENT OF ECOLOGY
State of Washington

Webinar Agenda

Introduction

Presentation (30 minutes)

- Mitigation
- Clarification on two topics from previous webinars

Break (5 minutes)

Public Input and Feedback

- Input from groups representing key interest areas (25 minutes)
- Public input and feedback (90 minutes)

Hello from Ecology!

Here is who you'll be hearing speak today and who is helping with the webinar.

- Brenden McFarland, Environmental Review and Transportation Section Manager
- Bill Drumheller, Climate and Energy Expert
- Diane Butorac, GAP Rule Project Manager
- Brook Swensen, Co-Host and Facilitator
- Sadie Hinklin, Co-Host and Facilitator

GAP Rule

- Ecology has started rulemaking as directed by Governor's Directive 19-18.
- A new rule will be created:

  Chapter 173-445 WAC, Greenhouse Gas Assessment for Projects

- This rulemaking will:
  - Address analysis and mitigation of greenhouse gas emissions for environmental assessments of industrial and fossil fuel projects.
  - Provide consistent and comprehensive assessment methods for industrial and fossil fuel projects.
  - Provide clarity and transparency to industry, the public, and agencies.

Previous Webinars

Presentations from these webinars are available on the GAP Rule website.

June 25, 2020 Webinar

- Information on the rule purpose, process, and key concepts

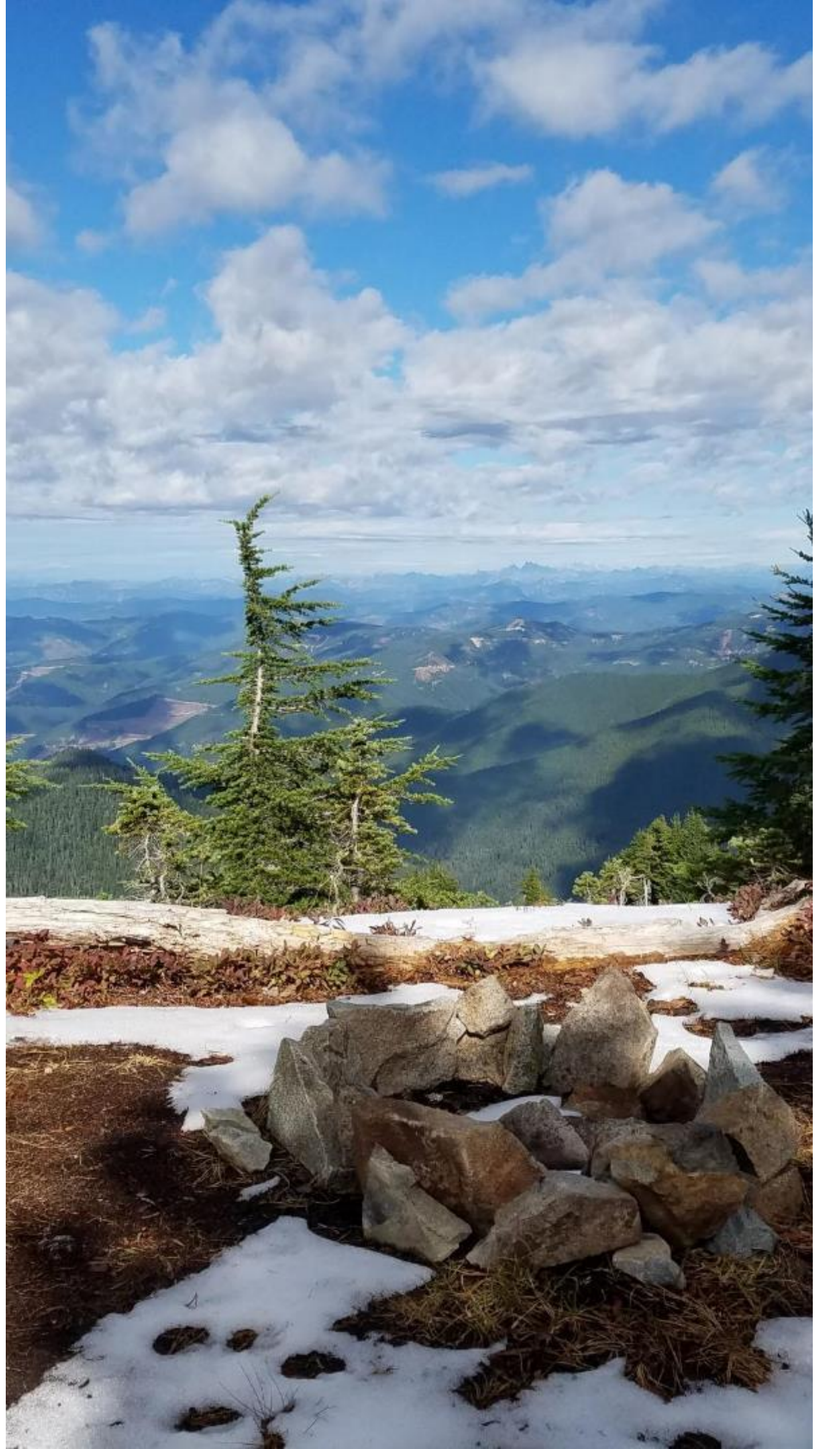
July 23, 2020 Webinar

- Rule applicability

August 27, 2020 Webinar

- Environmental assessment methods

GAP Rule and Mitigation



SEPA and Mitigation

- The State Environmental Policy Act (SEPA) environmental review process identifies and evaluates the likely environmental impacts of a proposal.
  - This includes greenhouse gas emissions.
- The environmental review process helps agency decision-makers, applicants, and the public understand how a proposal will affect the environment.
- Once impacts are identified, possible mitigation measures are considered to eliminate or reduce significant impacts.

GAP Rule and SEPA

- SEPA requires consideration of mitigation to address significant impacts.
- The GAP rule does not change the underlying SEPA process.
- In our initial thoughts:
  - The GAP rule environmental assessment methods would identify GHG emissions from the project to determine potential impacts.
  - The rule would require the applicant develop a mitigation plan to address the GHG emissions of a project.
- Under SEPA, mitigation may be required through the decision or permit processes or could be voluntary.

GAP Rule Mitigation Overview

- A project applicant would be required to develop a mitigation plan.
- The rule would:
  - Identify the emissions covered by the mitigation plan.
  - Identify the elements that must be included in the mitigation plan.
  - Establish criteria that mitigation projects must meet.
  - Prioritize where mitigation projects should be located.

Mitigation Types

- The rule would require the plan to identify the type(s) of mitigation used.
- The rule would allow for mitigation of GHG emissions by:
  - Funding projects directly.
  - Buying offsets through established carbon markets.

Mitigation Criteria

- The rule would require mitigation be all of the following:
  - Real
  - Permanent
  - Enforceable
  - Verifiable
  - Additional

- Offsets would be required to meet quality standards established through internationally-recognized registries.

Mitigation Project Prioritization

- Mitigation projects could be prioritized for:
  - Communities disproportionately affected by climate change
  - Low-income populations
  - Minorities and communities of color
  - Tribal communities

- Mitigation projects could be prioritized geographically with local projects the first priority, then expanding to regional, then national and international projects.

We would like your input on how mitigation projects should be prioritized.

Mitigation Coverage

- While the boundaries of the environmental assessment have yet to be determined, it is expected the analysis would cover several types of GHG emissions for a project.
  - On-site emissions
  - In-state emissions (on-site, upstream, and downstream)
  - Upstream out-of-state emissions
  - Downstream out-of-state emissions
- Mitigation could be used to address one or a combination of these.

We would like your input on which emissions you think mitigation should address.

Mitigation Quantification

- The applicability and environmental assessment parts of the GAP rule would use potential GHG emissions.
- Mitigation would use actual GHG emissions which may vary from year to year.
- Otherwise the calculation methods would be largely the same.

We would like your input on:

- What process should be used to track and verify emissions subject to mitigation?
- How would changes to calculation methods or emissions be handled?
- How should emissions involving projects that modify an existing facility be calculated?

We'd Like Input From You

- What types of emissions should mitigation address? On-site emissions, in-state emissions (on-site, upstream, and downstream), upstream out-of-state emissions, downstream out-of-state emissions?
- The Washington State Legislature has established GHG reduction goals for the future; how should these GHG reduction goals influence the mitigation plan?
- Should mitigation vary for different types of projects, such as factories, export facilities, or linear projects like pipelines or electricity lines?
- If the environmental assessment includes a net emissions analysis, how should this be treated in the mitigation plan?
- How should emissions involving projects that modify an existing facility be calculated?

We’d Like Input From You

- What process should be used to track and verify emissions subject to mitigation?
- How would changes to calculation methods or emissions be handled?
- How should mitigation projects be prioritized?
- Are there types of mitigation projects which should or should not be included?

Environmental Assessment Questions Where We'd Like Your Input

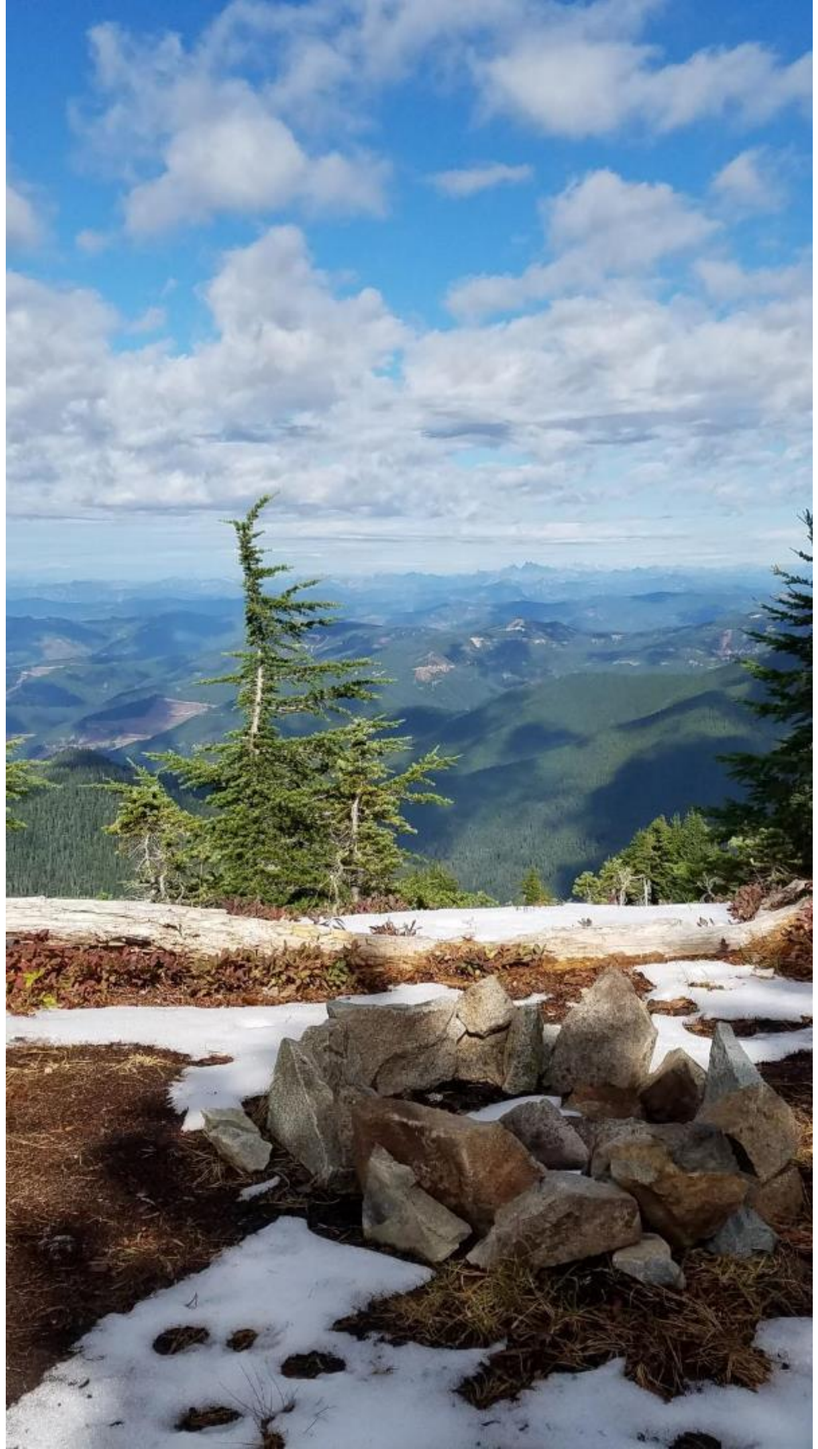
(These questions are from the August 2020 webinar)

- What are best practices in estimating construction-related emissions from SEPA or NEPA that we should consider for the rule?
- Have you used the ISO 14040/44 standards to conduct a life cycle analysis? If so, where do you believe the rule needs additional specificity to make implementing the standards practical or feasible?
- Are there special considerations we should take into account for projects that may lack a central facility or clear "on site" emissions (e.g., linear projects)?
- Is it more important to focus on the net emissions or on the gross emissions of a project? What should be the role of global economic analysis (e.g., developing a project global supply and demand curve) in the assessment?

Environmental Assessment Questions Where We'd Like Your Input

- What should the role of economics play in the Energy Analysis? Is it enough to note where supplies of energy will change, or should the price effects of those changes feed into a dynamic price model (or similar analyses)?
- What should the time period for the assessment be? Under SEPA, the analysis usually considers the typical operational lifespan of a project and construction but the time period could be longer to align with the GHG emission limits, or for other reasons.
- Should the rule identify starting and ending points of the life cycle analysis for project inputs and outputs? This could be at specific points, or the rule could provide more general direction, depending on the project type.
- At what point should the analysis terminate downstream? Should the first potential use be included in the life cycle analysis as the end point?
    - For example, in the case of fossil fuels the combustion of that fuel if some other use is not known, or if the first potential use is not demonstrable?
    - For non-fossil fuel products should the first potential use be considered to be the first use, or analyzed as multiple uses, or a final end use of the product?

Clarifying Topics from Previous Webinars



Applicability (July webinar)

- Using the initial screening process, industrial and fossil fuel projects with potential GHG emissions over the screening threshold would need to use the GAP rule.
  - This includes private or public projects.
  - An applicable project could be for a new facility or changes to an existing facility.
- This approach uses potential emissions to determine which projects need to follow the GAP rule.
  - For example, the installation of a large new boiler in a public building may need to follow the GAP rule if the project emissions are over the screening threshold.
  - A new proposed facility using fossil fuels as a fuel source or for export would need to follow the GAP rule if the emissions are above the screening threshold.

SEPA (June webinar)

- The SEPA rule, WAC 197-11, identifies the resources which should be considered in an environmental assessment. It does not describe the methodologies or protocols.
  - Other state and local rules, policies, and guidance are used to assess potential impacts.
  - The GAP rule would be used in this way and would not change the SEPA rule itself.
- If a project is not required to do the environmental assessment under the GAP rule, the emissions would still be considered under SEPA on a case-by-case basis.
  - Projects are not exempt from having to consider GHG emissions if they are not covered by the GAP rule.
- We expect the methods described in the GAP rule may also be referenced or used by SEPA lead agencies for GHG emission assessments for projects not covered by the rule – but this would not be required.

GAP Rule Webinar Series

▪ June 25	Presentation is online	GAP Rule purpose, process and key concepts
▪ July 23	Presentation is online	Rule applicability
▪ August 27	Presentation is online	Environmental assessment methods
▪ October 29	9:30 am – noon	Mitigation
▪ November 17	9:00 am – noon	GAP Rule overview

For More Information

Website:

https://ecology.wa.gov/Regulations-Permits/Laws-rules-rulemaking/Rulemaking/WAC-173-445

Join our email list;
http://listserv.ecology.wa.gov/scripts/wa-ECOLOGY.exe?SUBED1=GAP-RULE&A=1

Submit your input and feedback to: http://sea.ecology.commentinput.com/?id=biVaB

Email questions, input or feedback to: gap-rule@ecy.wa.gov

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Thank you for participating in the webinar!

The next webinar is planned for November 17, 2020 and will be an overview of the GAP rule.