



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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August 31, 2018

Washington's Greenhouse Gas Reporting Program

Amended Reporting Year 2017 Fee Schedule

Background

[Chapter 173-441-110 WAC](#) establishes the procedure the Department of Ecology (Ecology) uses to set the reporting fee for Washington's mandatory [Greenhouse Gas Reporting Program](#). The purpose of this letter is to inform facilities of amendments we are making to the Reporting Year 2017 Fee Schedule we issued November 7, 2017, and to explain the reasons for those amendments.

Ecology adopted changes to the Greenhouse Gas Reporting Program fee provisions on September 15, 2016. Before the 2016 rule changes, all facilities and transportation fuel suppliers that were required to report or voluntarily reported their greenhouse gas emissions to Ecology were required to pay an annual reporting fee. After the 2016 rule changes, only *facilities* were required to pay the fee, while transportation fuel suppliers and voluntary reporters were exempted from the fee. On November 7, 2017, Ecology issued the Reporting Year 2017 Fee Schedule based on this new methodology.

In March 2018, Thurston County Superior Court ruled that parts of the Clean Air Rule are invalid. The Superior Court's ruling prevents Ecology from implementing the Clean Air Rule regulations that cap and gradually reduce emissions of greenhouse gases from major sources of carbon pollution. The ruling also invalidated changes to the Greenhouse Gas Reporting Program, including the 2016 changes to the fee provisions.

The Amended Reporting Year 2017 Fee Schedule that we are providing today conforms with the Superior Court's rulings. This fee schedule sets the annual reporting fee for each facility reporting its 2017 greenhouse gas emissions in 2018. The fee is based on the fee methodology that existed before the 2016 rule changes. For the purposes of calculating the fees to be charged under this Amended 2017 Fee Schedule, Ecology did not perform a new workload analysis. Ecology did, however, use an updated facility count. In addition, Ecology has determined at this time to exercise discretion and not charge a fee to transportation fuel suppliers. Ecology will absorb the costs associated with processing transportation fuel supplier reports to ensure that reporters' fees are not increased.

Finally, Ecology's Reporting Year 2016 Fee Schedule was also based on the rule methodology that has now been invalidated by the Superior Court. Ecology is therefore providing to facilities that paid their Reporting Year 2016 fees a credit equal to the difference between the amount billed under the Reporting Year 2016 Fee Schedule (a flat fee of \$2,068) and the last published fee before the 2016 rule update went into effect (a flat fee of \$1,147). Facilities no longer required to report will receive a refund of their 2016 reporting fees.

Workload analysis and budget development (unchanged from the November 7, 2017 Reporting Year 2017 Fee Schedule)

Statute authorizes Ecology to base the annual reporting fee on projected agency costs to administer fee-eligible activities related to the Greenhouse Gas Reporting Program ([RCW 70.94.151](#)). Ecology used a workload analysis model to project that the following activities will require approximately 3.3 Full Time Equivalent (FTE) positions in 2018 to implement the 2017 reporting year program by fulfilling the following program functions:

- Information technology maintenance and support
- Technical assistance to reporting community
- Data analysis
- Collaboration with the Environmental Protection Agency and Washington Department of Licensing
- Verification, compliance, and enforcement
- Program administration

Ecology used standardized agency cost estimates to project costs for salary and benefits of those 3.3 FTE positions. Ecology projects the total cost of administering the Greenhouse Gas Reporting Program for the 2017 emissions year to be \$335,000.

Facility reporting fee

The fee for facilities reporting greenhouse gas emissions under [WAC 173-441-120](#) after the March 2018 ruling is established by dividing 75% of the total cost for administering the program for the year¹ by the number of projected facilities reporting in that year. Ecology estimates that 149 facilities will report 2017 emissions in Calendar Year 2018. Therefore, the reporting fee for the 2017 emissions year is $(\$335,000 \times 0.75)/149 = \$1,686$ per facility.

Facilities that paid the Reporting Year 2016 fee will be credited as follows:

$$\$2,068 \text{ payment} - \$1,147 \text{ last invoice issued under original method} = \$921 \text{ credit}$$

The net fee charged to those facilities will therefore be

$$\$1,686 \text{ fee} - \$921 \text{ credit} = \$765 \text{ invoice}$$

¹ We are basing fees charged to facilities on 75% of our costs rather than 100% of our costs per the methodology established in the pre-2016 version of the rule. Ecology has determined at this time to exercise discretion and not charge the 25% fee to transportation fuel suppliers.

Transportation fuel supplier reporting fee

The September 15, 2016 revisions to the rule removed the fee for transportation fuel suppliers reporting greenhouse gas emissions under [WAC 173-441-130](#). Although the March 2018 ruling indicates that Ecology may charge a fee to transportation fuel suppliers, Ecology is exercising its discretion to not charge that fee. Therefore, the reporting fee for the 2017 emissions year remains \$0 for transportation fuel suppliers.

Greenhouse Gas Reporting Program reporting year 2017 fee schedule

Greenhouse Gas Reporting Program fees for the 2017 reporting year are outlined in the table below.

Reporting Category	Fee Amount*	Reporting Deadline	Approximate Billing Date**
Facilities required to report to both Ecology and EPA	\$1,686	April 2, 2018	August 8, 2018
Facilities only required to report to Ecology	\$1,686	October 31, 2018	December 15, 2018
Facilities that choose to voluntarily report emissions and transportation fuel suppliers	\$0	October 31, 2018	NA

* If a reporter has multiple facilities, then it must pay a separate fee for each facility that reports.

** Approximate billing dates are an estimate only and subject to change. Fees must be paid within 60 days of receipt of the billing statement. A late fee surcharge of 10% will be applied to any fee received more than 90 days past the due date.

More information

More information about the Greenhouse Gas Reporting Program, including fees, who is required to report, and other information is available on [Ecology's website](#) or by contacting Neil Caudill at 360-407-6811 or ghgreporting@ecy.wa.gov.