



STATE OF WASHINGTON

DEPARTMENT OF ECOLOGY

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DETERMINATION OF NONSIGNIFICANCE

STATE ENVIRONMENTAL POLICY ACT

OCTOBER 4, 2017

The Department of Ecology proposes to adopt amendments to Chapter 173-407 WAC, Carbon Dioxide Mitigation Program, Greenhouse Gases Emissions Performance Standard and Sequestration Plans and Programs for Thermal Electric Generating Facilities. The rule changes include, but are not limited to the following:

- Adopt the most recent greenhouse gas emissions performance standard (standard) from WAC 194-26-020.
- Reference WAC 194-26-020 for any new standard implemented after the effective date of this rule.
- Replace the carbon dioxide conversion factors in Part I of this rule with the emission factors from 40 C.F.R., Part 98, Table C-1.
- Allow certain facilities that are subject to the standard to have the option to use carbon dioxide emission factors from 40 C.F.R. Part 98, Table C-1.
- Allow facilities that become subject to the standard after the effective date of this rule to have the option to use methane and nitrous oxide emission factors from 40 C.F.R., Part 98, Table C-2.
- Align this rule with Chapters 80.70 and 80.80 RCW.
- Make technical clarifications, correct errors, and improve readability.

Proponent and SEPA Lead Agency: Washington State Department of Ecology

Location of proposal: Statewide

The Department of Ecology has determined that the proposed amendments will not result in probable significant adverse impacts on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030 (2)(c). Ecology made this decision after reviewing a completed environmental checklist in conjunction with all of the materials and discussions related to the SEPA Rulemaking Advisory Committee. This information can be found at:

<http://www.ecy.wa.gov/programs/air/rules/wac173407/1612ov.htm>

This Determination of Nonsignificance (DNS) is issued with a comment period that runs concurrently with the comment period on the underlying proposal to amend Chapter 173-407 WAC (CR-102). You must submit comments on this DNS and the underlying rule adoption proposal by **November 14, 2017**.

Please submit comments:

- Online public comment form at <http://ac.ecology.commentinput.com/?id=HbNcY>; or
- Mail to the address below

Staff contact for questions and concerns:

Caroline (Ying) Sun
Air Quality Program
Department of Ecology
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(360)407-7528

SEPA Responsible official:

Stuart Clark
Program Manager
Air Quality Program
Washington Department of Ecology
PO Box 47600, Olympia, WA 98604-7600

Signature:



Date:

9/13/17

APPEAL: No administrative appeal of the decision to issue a DNS is provided under the Department of Ecology's SEPA procedures. Appeal of the decision on the underlying action (to adopt the revisions to WAC 197-11) is governed by the Administrative Procedures Act (RCW 34.05).



DEPARTMENT OF
ECOLOGY
State of Washington

SEPA ENVIRONMENTAL CHECKLIST

A. BACKGROUND

1. Name of proposed project, if applicable:

Chapter 173-407 WAC Carbon Dioxide Mitigation Program, Greenhouse Gases Emissions Performance Standard and Sequestration Plans and Programs for Thermal Electric Generating Facilities

2. Name of applicant:

Air Quality Program, Washington State Department of Ecology

3. Address and phone number of applicant and contact person:

Air Quality Program
Department of Ecology
PO Box 47600
Lacey, WA 98504-7600
Contract: Caroline (Ying) Sun (360) 407-7528

4. Date checklist prepared:

August 31, 2017

5. Agency requesting checklist:

Washington State Department of Ecology

6. Proposed timing or schedule (including phasing, if applicable):

- | | |
|---------------------|--|
| • February 7, 2017 | File CR-101 form (announce rulemaking) |
| • April 13, 2017 | Hold stakeholder meeting |
| • October 4, 2017 | File CR-102 form (propose rulemaking) |
| • November 7, 2017 | Hold public hearing and webinar |
| • November 14, 2017 | Public comment period closes |
| • February 21, 2018 | File CR-103 form (adopt rule) |
| • March 24, 2018 | Rule effective |

7. Do you have any plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain.

Per Chapter 80.80 RCW, Department of Commerce (Commerce) evaluates the need for updating the greenhouse gas emissions performance standard (GHG EPS) every five years. If a lower GHG EPS is appropriate, Commerce would adopt the new standard through rulemaking. Ecology is proposing a process to adopt any new GHG EPS developed by Commerce by referencing their rule, WAC 194-26-020, in Chapter 173-407 WAC.

If this adoption by reference approach does not work as proposed, we will adopt the new standards into Chapter 173-407 WAC every five years following Commerce's rulemaking.

8. List any environmental information you know about that has been prepared, or will be prepared, directly related to this proposal.

Washington Department of Commerce's "Survey of Combined Cycle Combustion Turbine Greenhouse Gas Emission Rates" (2013) provides information on how they developed the 2013 greenhouse gas emissions performance standard of 970 lb/MWh and why this standard was appropriate.

9. Do you know whether applications are pending for governmental approvals of other proposals directly affecting the property covered by your proposal? If yes, explain.

Not applicable. The proposed rule revision does not apply to a particular site.

10. List any government approvals or permits that will be needed for your proposal, if known.

Ecology must adopt the rule as required under the Administrative Procedures Act, Chapter 34.05 Revised Code of Washington (RCW) and the Regulatory Fairness Act, Chapter 19.85 RCW. As part of the rulemaking process, Ecology must prepare a preliminary cost-benefit economic impact analysis and a small business economic impact statement on the proposed rule amendment. Ecology must prepare a final cost-benefit analysis on the adopted rule.

11. Give brief, complete description of your proposal, including the proposed uses and the size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers on this page. (Lead agencies may modify this form to include additional specific information on project description.)

We are proposing to:

- Adopt the most recent greenhouse gas emissions performance standard (standard) from WAC 194-26-020.
- Reference WAC 194-26-020 for any new standard implemented after the effective date of this rule.
- Replace the carbon dioxide conversion factors in Part I of this rule with the emission factors from 40 C.F.R., Part 98, Table C-1.
- Allow certain facilities that are subject to the standard to have the option to use carbon dioxide emission factors from 40 C.F.R. Part 98, Table C-1.
- Allow facilities that become subject to the standard after the effective date of this rule to have the option to use methane and nitrous oxide emission factors from 40 C.F.R., Part 98, Table C-2.
- Align this rule with Chapters 80.70 and 80.80 RCW.
- Make technical clarifications, correct errors, and improve readability.

12. Location of the proposal. Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map, if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.

The changes to Part I of this rule apply to both existing and new power plants with a rated capacity above 25 MW that are located in the State of Washington.

The major changes to Part II and Part III of this rule only apply to:

- New power plants or existing power plants located in State of Washington that change ownership or upgrade.
- Power plants named in new long-term financial commitments located in or outside State of Washington.

The changes for technical clarifications and errors corrections in Part II and Part III apply to both new and existing facilities and units.

B. ENVIRONMENTAL ELEMENTS

As specified in WAC 197-11-315(1)(e), for this nonproject proposal, the Department of Ecology has determine that the questions in Part B do not aid in the review of the proposal. See the associated analysis in Part D for additional information.

C. SIGNATURE

The above answers are true and complete to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.

Signature: _____



Name of signee: Nancy Pritchett
Position and Agency/Organization: Policy and Planning Section Manager
Department of Ecology
Date Submitted: 10/04/2017

D. SUPPLEMENTAL SHEET FOR NONPROJECT ACTIONS

1. How would the proposal be likely to increase discharge to water; emissions to air; production, storage, or release of toxic or hazardous substances; or production of noise?

Adopting the 2013 greenhouse gas emissions performance standard (GHG EPS) will reduce the standard from 1,100 lb GHG/MWh to 970 lb GHG/MWh. A facility that triggers the GHG EPS after effective date of this rule in March, 2018 will be subject to the lower standard.

RCW 80.80.050 requires the Department of Commerce (Commerce) to evaluate and update the GHG EPS every five years. We are proposing to adopt any new GHG EPS by reference from Commerce's rule. Facilities may be subject to the further lowered GHG EPS if Commerce lowers it in the future.

A facility may use geologic or non-geologic GHG sequestration in order to meet the GHG EPS in this rule. The geologic sequestration process may result in contamination of groundwater if not performed in accordance with Chapter 173-218 WAC and WAC 173-407-200 through 220. The plant owner or operator may use toxic or hazardous materials to extract GHG from the flue gas and may leak the these materials into the environment. There is a low likelihood that power plants would develop and implement a geological sequestration plan/program due to uncertainty in the risks, liability, and cost implications.

Therefore, there is a small possibility that this proposal would increase discharge to water; production, storage, or release of toxic or hazardous substances; or production of noise in the future if a facility owner uses geological sequestration for compliance. The lower GHG EPS may result in GHG reductions so new emissions to air are unlikely as a result of this proposal.

2. How would the proposal be likely to affect plants, animals, fish, or marine life?

This proposal could have positive environmental impacts on plants, animals, fish, or marine life by potentially reducing greenhouse gas emissions. Additional benefits may occur due to reductions in nitrogen oxides through more efficient combustion processes.

3. How would the proposal be likely to deplete energy or natural resources?

Implementation of the rule update is not likely to deplete energy or natural resources.

4. How would the proposal be likely to use or affect environmentally sensitive areas or areas designated (or eligible or under study) for governmental protection; such as parks, wilderness, wild and scenic rivers, threatened or endangered species habitat, historic or cultural sites, wetlands, floodplains, or prime farmlands?

Implementation of this rule update is not likely to affect environmentally sensitive areas or areas designated for governmental protection. Implementation may result in reductions in greenhouse gases affecting these areas.

5. How would the proposal be likely to affect land and shoreline use, including whether it would allow or encourage land or shoreline uses incompatible with existing plans?

Implementation of this rule update is not likely to affect land and shoreline use.

6. How would the proposal be likely to increase demands on transportation or public services and utilities?

Implementation of this rule update is not likely to increase demands on transportation or public services and utilities.

7. Identify, if possible, whether the proposal may conflict with local, state, or federal laws or requirements for the protection of the environment.

Environmental Protection Agency (EPA) has authority to regulate this subject under its own rules (40 CFR Part 60, Subpart TTTT and UUUU). Most of the carbon dioxide emission standards under these federal rules are less stringent than the 2013 greenhouse gas emissions performance standard adopted by Commerce.

One possible exception is that Washington needs to develop a plan to implement the requirements under Subpart UUUU of the federal rules. However, the U. S. Supreme Court stayed the requirement to develop this plan until the completion of litigation so we stopped working on the plan. In the future, the more restrictive standard could apply.