



# 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: June 26, 2023

TIME: 8:30 AM

WSR 23-14-026

**Agency:** Department of Ecology AO # 23-01

**Subject of possible rule making:** In 2021, the Washington Legislature passed the Climate Commitment Act (CCA), which established a cap-and-invest program to help Washington meet greenhouse gas (GHG) emission limits by 2050. To align with the requirements of the CCA, this rulemaking will adopt amendments to Chapter 173-441 WAC (Reporting of Emissions of Greenhouse Gases) and Chapter 173-446 WAC (Climate Commitment Act Program Rule).

The purpose of these updates is to identify and establish compliance obligations for entities importing electricity to Washington State from centralized electricity markets. Supporting changes to the Reporting of Emissions of Greenhouse Gases rule (WAC 173-441) will ensure that appropriate data are available.

The centralized electricity markets to be addressed in the rulemaking include the Energy Imbalance Market, the Extended Day Ahead Market, and the Markets+ initiative underway by the Southwest Power Pool. The rule may also address other issues related to reporting of greenhouse gas emissions for entities importing electricity to Washington.

**Statutes authorizing the agency to adopt rules on this subject:** Greenhouse Gas Emissions-Cap and Invest Program, Program Coverage, RCW 70A.65.080 (1) (c); Greenhouse Gas Emissions-Cap and Invest Program, Adoption of rules, RCW 70A.65.220; Washington Clean Air Act, Classification of air contaminant sources-Registration-Fee-Registration program defined-Adoption of rules requiring persons to report emissions of greenhouse gases, RCW 70A.15.2200 (5)

**Reasons why rules on this subject may be needed and what they might accomplish:** This rulemaking is required by RCW 70A.65.080 (1)(c). Specifically, this rulemaking will address electricity imported into the state from centralized electricity markets as covered emissions in the cap-and-invest program. Additionally, this rulemaking will allow centralized electricity market operators to put the necessary data infrastructure in place to track importing entities.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** Pursuant to RCW 70A.65.080 (1) (c), Ecology is required to conduct this rulemaking in consultation with the Department of Commerce and the Utilities and Transportation Commission. The Federal Energy Regulatory Commission (FERC) also has a regulatory role in these markets, but interaction with that federal agency on this topic is handled through the market operator organization (e.g., the California Integrated System Operator) and not through the state.

**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 the 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: Gopika Patwa  | (If necessary)<br>Name: |
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Web site: <https://ecology.wa.gov/Regulations-Permits/Laws-rules-rulemaking/Rulemaking/WAC-173-441-446>

Web site:

Other: N/A

Other:

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> June 26, 2023                | <b>Signature:</b><br> |
| <b>Name:</b> Kathy Taylor                 |   |
| <b>Title:</b> Air Quality Program Manager |   |