CODE REVISER USE ONLY



RULE-MAKING ORDER PERMANENT RULE ONLY

CR-103P (December 2017) (Implements RCW 34.05.360)

OFFICE OF THE CODE REVISER STATE OF WASHINGTON FILED

DATE: December 03, 2024 TIME: 7:40 AM

WSR 24-24-087

Agency: Department of Ecology AO # 23-01

Effective date of rule:

- Permanent Rules
- \boxtimes 31 days after filing.
- Other (specify) (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Purpose: To align with the requirements of the Climate Commitment Act, this rulemaking adopts amendments to Chapter 173-441 WAC (Reporting of Emissions of Greenhouse Gases) and Chapter 173-446 WAC (Climate Commitment Act Program Rule).

These amendments help determine which entities will be responsible for emissions associated with electricity imported from centralized electricity markets. This rule does not modify the eligibility criteria for inclusion under the Cap-and-Invest Program. The rule establishes a framework that identifies the resources supplying the relevant electricity into centralized electricity markets based on the market mechanisms that operators of these markets put in place. The Climate Commitment Act Program Rule (Chapter 173-446 WAC) assigns a compliance obligation, while the processes and procedures for identifying resources were adopted in the Reporting of Emissions of Greenhouse Gases Rule (WAC 173-441). Amendments to Chapter 173-441 WAC ensure that appropriate data are reported to Ecology.

The adopted rule applies to existing and future centralized electricity markets including the Energy Imbalance Market, the Extended Day Ahead Market, and the Markets+ initiative underway by the Southwest Power Pool. The rule also addresses other issues related to the reporting of greenhouse gas emissions for entities importing electricity to Washington.

Specifically, this rulemaking provides:

- A framework for addressing imports of electricity from specified resources through centralized electricity markets.
- A process for identifying the electricity importer for imported electricity from centralized electricity markets.
- Methods for assigning greenhouse gas emissions to imports of electricity from centralized electricity markets.
- Equitable treatment across and between bilateral and centralized electricity markets.
- Administrative and process-related changes for clarity and to harmonize the rule with recent statutory changes.

Citation of rules affected by this order:

New:

Repealed:

Amended: Chapter 173-441 WAC and Chapter 173-446 WAC

Suspended:

Statutory authority for adoption: Greenhouse Gas Emissions-Cap and Invest Program, Program Coverage, RCW 70A.65.080 (1) (c)

Other authority:

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 24-14-057 on June 27, 2024 (date).

Describe any changes other than editing from proposed to adopted version: Ecology made changes in response to the comments we received, to ensure clarity and consistency, and to meet the intent of the authorizing statute. For a complete list of changes made and the rationale for such changes, please see the <u>Concise Explanatory Statement</u>.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: Gopika Patwa

Address: Department of Ecology Climate Pollution Reduction Program PO Box 47600 Olympia, WA 98504-7600 Phone: (360) 338-2419 Fax: N/A TTY: For Washington Relay Service or TTY call 71 Email: <u>gopika.patwa@ecy.wa.gov</u> Web site: <u>https://apps.ecology.wa.gov/publications/</u> Other: N/A Note: If any category is legote text	Summary	Pages/2	2414082.html	ulate	ed as zero.	
Count by whole WAC sections only A section may be c					nistory note.	
The number of sections adopted in order to comply	y with:					
Federal statute:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Federal rules or standards:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Recently enacted state statutes:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
The number of sections adopted at the request of a	a nongov	ernmen	tal entity:			
	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
The number of sections adopted on the agency's o	wn initia	tive:				
	New	<u>0</u>	Amended	5	Repealed	<u>0</u>
The number of sections adopted in order to clarify,	, streamli	ne, or r	eform agency p	orocedu	ires:	
	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
The number of sections adopted using:						
Negotiated rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Pilot rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Other alternative rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Date Adopted: December 3, 2024	Si	gnature	:	<u> </u>	Λ	
Name: Laura Watson		So Works				
Title: Director			\mathcal{O}	Y var		