Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Environment Committee

HB 1915

Brief Description: Developing recommendations to achieve the state's greenhouse gas emissions limits.

Sponsors: Representatives Upthegrove, Pollet, Fitzgibbon, Reykdal, Liias, Hunt, Fey, Pedersen, Freeman and Bergquist; by request of Governor Inslee.

Brief Summary of Bill

- Creates the Climate Legislative and Executive Work Group.
- Commissions a report to evaluate policy options to reduce greenhouse gas (GHG) emissions.

Hearing Date: 3/5/13

Staff: Scott Richards (786-7156).

Background:

Greenhouse Gas Emissions.
Since the Industrial Revolution, human activities have released large amounts of carbon dioxide (CO_2) and other greenhouse gases (GHGs) into the atmosphere. The primary GHGs from human activities are CO_2, methane (CH_4), and nitrous oxide (N_2O). In addition to these primary GHGs, more potent GHGs are emitted from industrial processes, but in smaller amounts than the primary GHGs. These GHGs are hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Greenhouse Gas Emissions in the United States.
According to the U.S. Environmental Protection Agency (EPA), in 2010 the primary sources of GHG emissions in the United States are as follows:

- electricity production at 34 percent,
- transportation at 27 percent,
- industrial processes, usually for energy at 21 percent,

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- commercial and residential (primarily for space heating) at 11 percent, and
- agriculture at 7 percent.

Land use and forestry provide an offset of 15 percent of GHG emissions.

Greenhouse Gas Emissions in Washington.
GHG Emissions Limits.
In 2008, the Legislature established GHG emission reductions for Washington State which include the following:

- by 2020, reduce GHG emissions to 1990 levels;
- by 2035, reduce GHG emissions to 25 percent below 1990 levels; and
- by 2050, the state will do its part to reach global climate stabilization levels by reducing overall GHG emissions to 50 percent below 1990 levels, or 70 percent below the state's expected emissions that year.

GHG Emissions Inventory.
In 2008, the Legislature directed the Department of Ecology to report to the Governor and the Legislature, by December 31st of each even-numbered year beginning in 2010, the total GHG emissions for the preceding two years, and totals in each major source sector.

According to the Department of Ecology, in 2010 the total state annual GHG emissions were 95.6 million metric tons of carbon dioxide equivalent ($MMtCO_2e$), a 2 percent increase in GHG emissions since 1990. Carbon dioxide equivalent (CO_2e) is the unit for comparing emissions of different GHGs expressed in terms of the global warming potential of one unit of carbon dioxide.

The GHG emissions by major source in Washington in 2010 are as follows:

- transportation at 44.1 percent;
- electricity at 21.7 percent;
- residential, commercial and industrial (space and process heating) at 20.6 percent;
- agriculture at 5.6 percent;
- industrial processes at 4.6 percent;
- waste management at 2.6 percent; and
- fossil fuel industry at 0.7 percent of total state GHG emissions.

Recent Legislative Actions to Address GHG Emissions.
In recent years, the Legislature has enacted a range of legislation that seeks to track and reduce the GHG emissions in Washington. This legislation includes, but is not limited to, the following:

- GHG emissions annual reporting for facilities that emit at least 10,000 metric tons of GHGs annually;
- GHG emissions performance standard for baseload electric generation for which electric utilities enter into long-term financial commitments;
- mitigation for 20 percent of the GHG emissions from a new fossil-fueled thermal generating facilities and existing facilities proposing to increase their capacity;
- long-term resource planning by electric utilities that takes into account the cost of risks associated with the emissions of GHGs;
- GHG emissions standards for new vehicles sold in Washington;
- adoption of statewide goals to reduce annual per capita vehicle miles traveled; and
- state agency GHG emission reduction targets.

Summary of Bill:

Evaluation of Approaches to Reduce Greenhouse Gas Emissions.
The Office of the Governor must contract with an independent and objective organization to prepare a credible evaluation of approaches to reducing greenhouse gas (GHG) emissions. The evaluation must be provided in a final report by October 15, 2013, to the Governor for use by the Climate Legislative and Executive Work Group (Work Group).

The evaluation must include a review of comprehensive GHG emission reduction programs being implemented in other states and countries, including a review of reduction strategies being implemented in other jurisdictions in the Pacific Northwest, on the west coast, in neighboring provinces in Canada, and in other regions of the country.

For each program, the report must include available information on: (1) the effectiveness in achieving the jurisdiction's emission reduction objectives; (2) the relative impact upon different sectors of the jurisdiction's economy; (3) the impacts upon household consumption and spending, including measures to mitigate impacts to low-income populations; (4) displacement of emission sources due to the program; and (5) significant co-benefits, such as to public health, from implementing the program.

The evaluation must also analyze Washington's emissions and related energy consumption profile, including: (1) total expenditures for energy by fuel category; (2) the sources of the fuels, including imports of oil and other fossil fuels; and (3) an evaluation of the options for an emissions reduction approach that would increase expenditures for energy sources produced in state relative to expenditures for imported energy sources, and how that increase would affect job growth and economic performance.

The evaluation must also examine and summarize: (1) opportunities for new manufacturing infrastructure and other job producing investments in Washington relating to cleaner energy and greater energy efficiency; (2) how other states and countries have created opportunities in these sectors; (3) how other jurisdictions have achieved greater independence from fossil fuels and the costs and benefits to their economy of doing so; and (4) existing studies of the potential costs to Washington consumers and businesses of unmitigated climate change.

Climate Legislative and Executive Work Group.
The Climate Legislative and Executive Work Group (Work Group) is created consisting of the Governor, a representative from the executive branch, and four members and two alternates from each the House and Senate. The Governor or the Governor's designee is the chair of the Work Group.

The purpose of the Work Group is to recommend a state program of actions and policies to reduce GHG emissions, that if implemented would ensure achievement of the state's emission limit. The recommendations must include consideration of current best science, the effectiveness of the program and policies in terms of costs, benefits, and results, and how best to administer the program and policies. Also, the Work Group recommendations must include a timeline for actions and funding needed to implement the recommendations.

The members and alternates of the Work Group must be appointed by July 15, 2013. The Work Group must meet not less than twice per month and its first meeting must be held by August 1, 2013. The Work Group must schedule one or more meetings or portions of meetings at which the views of the public may be provided to the Work Group. All state agencies must also cooperate with the Work Group in providing information regarding previous and current climate action reports and analyses.

The Work Group must provide a report to the appropriate policy and fiscal committees of the Senate and House of Representatives by December 31, 2013.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.