Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Environment Committee

HB 1372

Brief Description: Updating the framework for reducing greenhouse gas emissions in Washington based upon best available climate science.

Sponsors: Representatives Farrell, Pollet, Peterson, Doglio, Appleton, Frame, Stanford, Cody, Gregerson, Macri, Pettigrew, Goodman, Tarleton, Ormsby and Ortiz-Self.

Brief Summary of Bill

- Reduces state greenhouse gas emission (GHG) limits for 2020, 2035, and 2050, and establishes additional carbon dioxide emission limits for those years.
- Requires the Department of Ecology (ECY) to use existing authority to adopt a rule by December 1, 2017 that sets emission limits that ensure the achievement of state emission limits.
- Reduces the GHG emission limits that apply to state agencies for 2020, 2035, and 2050.
- Requires the ECY to develop and implement a plan by December, 2018 to sequester a specified amount of atmospheric carbon dioxide.

Hearing Date: 2/13/17

Staff: Jacob Lipson (786-7196).

Background:

Federal and State Regulation of Greenhouse Gases.

The United States Environmental Protection Agency (EPA) and the Department of Ecology (ECY) identify carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride as greenhouse gases (GHGs) because of their capacity to trap heat in the Earth's atmosphere. According to the EPA, the global warming potential (GWP) of each GHG is a function of how much of the gas is concentrated in the atmosphere, how long the gas stays in

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the atmosphere, and how strongly the particular gas affects global atmospheric temperatures. Under state law, the GWP of a gas is measured in terms of the equivalence, over a 100-year timeframe, to the emission of an identical volume of carbon dioxide (carbon dioxide equivalent).

Under the federal Clean Air Act, GHGs are regulated as an air pollutant and are subject to several air regulations administered by the EPA. These federal Clean Air Act regulations include a requirement that facilities and fuel suppliers whose associated annual emissions exceed 25,000 metric tons of carbon dioxide equivalent report their emissions to the EPA.

At the state level, GHGs are regulated by the ECY under the state Clean Air Act. This state law requires facilities, sources, and sites whose emissions exceed 10,000 metric tons of carbon dioxide equivalent each year to report their annual emissions to the ECY or to local air authorities that implement the state Clean Air Act. The ECY has adopted rules governing the reporting of GHG emissions that specify the GHG emissions calculation methodology for covered facilities.

In September, 2016, the ECY adopted a rule under state Clean Air Act authority (the Clean Air Rule) to limit emissions of GHGs from certain stationary emissions sources, petroleum product producers and importers, and natural gas distributors.

Greenhouse Gas Limits.

In 2008 Washington enacted legislation that set a series of limits on the emission of GHGs within the state. The state's limits on the emission of GHGs are:

- By 2020, overall GHG emissions in the state must be reduced to 1990 levels;
- By 2035, overall GHG emissions in the state must be reduced to 25 percent below 1990 levels; and
- By 2050, overall GHG emissions in the state must be reduced to 50 percent below 1990 levels, or 70 percent below the state's expected emissions for that year.

These statutory emission limits do not specify how the state must achieve the established limits, nor are emission reductions required to be achieved by particular entities or types of entities. Except for these GHG reporting purposes, carbon dioxide emissions from the industrial combustion of biomass are not considered GHGs so long as the state's silvicultural sequestration capacity is not diminished.

According to supporting documentation accompanying the issuance of the Clean Air Rule, the ECY used the state GHG limits in statute to guide the emission reduction requirements imposed upon the parties covered by the rule. The Clean Air Rule also exempted carbon dioxide emissions industrial combustion of biomass, consistent with the exemption in statute.

The ECY must consult with the climate impacts group at the University of Washington regarding the science on human-caused climate change, and provide a periodic report to the Legislature making recommendations regarding whether the GHG emissions reductions needed to be updated. The ECY issued its most recent report in December 2016. The report recommended the following GHG emission limits:

- By 2020, reduce overall emissions of GHGs in the state to 1990 levels;
- By 2035, reduce overall GHG emissions in the state to 40 percent below 1990 levels; and

- By 2050, reduce overall GHG emissions in the state to 80 percent below 1990 levels, or 70 percent below the state's expected emissions that year.

The ECY is responsible for monitoring and tracking the state's progress towards the emission limits, including the results of existing policies and policies adopted in the future.

State Agency Greenhouse Gas Emission Limits.

In addition to the overall state GHG emission limits, limits are set as follows for all state agency GHG emissions:

- 15 percent below 2005 levels by 2020;
- 36 percent below 2005 levels by 2035; and
- 57.5 percent below 2005 levels by 2050, or 70 percent below expected state government emissions for that year.

By June, 2010, state agencies were required to report their estimated 2005 GHG emissions, and projected GHG emissions through 2035. In 2011, each state agency was required to submit a strategy to the ECY to achieve reductions necessary to meet the state agency emission limits. The strategies must address employee travel, teleconferencing, and recommendations for budgetary and incentives to reduce emissions, especially via employee business travel.

Summary of Bill:

State Greenhouse Gas Emission Limits.

Washington state must limit emissions of greenhouse gases (GHGs) to achieve the following reductions:

- By 2020, state emissions must be at least 10 percent below 1990 levels.
- By 2035, state emissions must be at least 68 percent below 1990 levels.
- By 2050, state emissions must be at least 91 percent below 1990 levels.

By December 1, 2017, the Department of Ecology (ECY) must use existing authority to adopt policies and rules establishing GHG limits that ensure GHG emissions are reduced to at least these emission limits. In addition, carbon dioxide emissions from the industrial combustion of biomass are no longer excluded from being treated in the same manner as other GHG emissions for regulatory purposes.

In addition to the overall GHG limits established for 2020, 2035, and 2050, the state must ensure that carbon dioxide emissions also decease to:

- at least 10 percent below 1990 levels by 2020;
- at least 68 percent below 1990 levels by 2035; and
- at least 91 percent below 1990 levels by 2035.

In tracking the state's progress towards meeting GHG emissions, the ECY must evaluate the results from its adopted rules, in addition to its policies. The ECY must annually report to the Governor and Legislature on state progress, beginning January 1, 2018.

State GHG emission reporting rules must allow it to inventory consumption-based GHG emissions, which must take into account the economic demand for products in the state, including the purchase of goods and services and the inventory and capital formation of businesses.

State Agency Emission Limits.

State agency GHG emission limits are reduced to the following levels:

- at least 15 percent below 2005 levels by 2020;
- at least 68 percent below 2005 levels by 2035; and
- at least 91 percent below 2005 levels by 2050.

By June 30, 2018, state agencies must report their projected emissions through 2050, and must re-submit their 2011 emission reduction strategies to the ECY.

State Carbon Sequestration Limits.

The ECY must report by July 1, 2017 to the Governor and the Legislature regarding the state's silvicultural and agricultural sequestration capacity. By December 1, 2018, the ECY must develop and implement a plan to increase in-state sequestration capacity to achieve a proportionate share of 100 gigatons of carbon dioxide of global sequestration towards a goal of 350 parts per million of atmospheric carbon dioxide concentrations.

Statements of Legislative Intent.

A new declaration is added to the codified intent section in the statutory chapter establishing the state's GHG limits: An intent is declared to preserve, protect, and enhance air quality for current and future generations, and to safeguard the rights of Washington residents to live in a healthful and pleasant environment. The intent section also refers to the state GHG limits as minimum reductions, rather than as goals.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.