

State of Washington DEPARTMENT OF FISH AND WILDLIFE

Mailing Address: P.O. Box 43200, Olympia, WA 98504-3200 • (360) 902-2200 • TTY 1-800-833-6388 Main Office Location: Natural Resources Building, 1111 Washington Street SE, Olympia, WA

December 14, 2023

Harrison Ashby Attn: CCA Funds Reporting Rulemaking P.O. Box 47600 Olympia, WA 98504-7600

RE: Comments on Draft CCA Funds Reporting Rulemaking

Dear Ms. Ashby:

Thank you for the opportunity to review the draft version of the proposed rules for the Climate Commitment Act (CCA) funds reporting. The Washington Department of Fish and Wildlife (WDFW) recognizes the innovation required in synthesizing the statutory requirements for this reporting, appreciates the work of staff at the Department of Ecology. WDFW remains committed to the climate and community benefits intended by the CCA and offer the following comments on the draft language in the spirit of balancing accountability with a reasonable reporting burden.

Budgetary Reporting Requirements:

Appropriation Level Reporting Requirements (173-446B-060) The subsections below do not show up in the RCWs around these accounts or the budget bill language and WDFW recommends removal of these items.

- "1(e) "What percentage of the funding identified in 'C' was used by the recipient for administrative purposes?"
 - WDFW is concerned that the word 'administrative' is traditionally difficult to define and the draft rulemaking language does not provide a definition. Without a clear definition of what Ecology considers to be included in "administrative purposes," WDFW will be unable to accurately report on this metric. WDFW recommends that Ecology more clearly define what is included in "administrative purposes", and if a definition cannot be established, recommends that Ecology remove this reporting requirement from the draft language.
- "1(g)(i) "Did the activity funded through this grant or contract receive funding from sources other than CCA accounts?"
 - WDFW is concerned that this requirement broadens the agency's budgetary reporting requirements to accounts beyond those referenced in the RCW. This is a challenging reporting requirement due to our inability to automate this process.

WDFW does not have sufficient budgetary staff capacity to report on accounts beyond those referenced in the RCW and therefore, WDFW recommends removing l(g)(i) from the draft language.

Grant- or Contract-Level Reporting Requirements (173-446B-060)

- (2)(g) What is the status of the grant or contract?
 - WDFW is unclear how the word "status" is being defined and interpreted.
 Without a clear definition of "status", WDFW will be unable to work with contractors to accurately report on this metric. We recommend that Ecology more clearly define what is meant by "status", and if a definition cannot be established, WDFW recommends that Ecology remove this reporting requirement from the draft language.
- (2)(h)(i) Did the activity funded through this grant or contract receive funding from sources other than CCA accounts? If so, what were the sources and how much funding was provided by each source?
 - This is not information that WDFW will have direct access to and, as a result, WDFW will be required to request that the grantee or subcontractor report this information to the agency – which could present an undue administrative burden on the subcontractor. In instances where the agency is contracting or working with grantees from overburdened communities, WDFW takes issue with placing an additional administrative burden on communities who currently do not have sufficient capacity. As a result, WDFW recommends removing this reporting requirement from the draft language.

Tribal Resolution and Overburdened Community Reporting Requirements

- For grants and contracts that do not provide direct and meaningful benefits to vulnerable populations in overburdened communities and are not formally supported by a Tribal resolution, what were the challenges or barriers to implementing the expenditure in a way that would have satisfied these criteria? (173-446B-060)
 - Asking the agency to report on "challenges or barriers to implementing" for projects that do not provide direct and meaningful benefits to vulnerable populations implies that *all* CCA funds should be spent for the benefit of those communities. However, <u>RCW 70A.65.230</u> states, "A minimum of not less than 35 percent and a goal of 40 percent of total investments that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities identified under chapter 70A.02 RCW." Therefore, a lack of investment to vulnerable populations in overburdened communities does not imply that there were challenges or barriers. WDFW recommends replacing "what were the challenges or barriers to implementing…" with "why?" The statement would then read: "For grants and contracts that do not provide direct

> and meaningful benefits to vulnerable populations in overburdened communities and are not formally supported by a Tribal resolution, please articulate why these do not provide direct and meaningful benefits."

- (h) Did the expenditure provide direct and meaningful benefits to vulnerable populations within the boundaries of an overburdened community, as defined in 173-446B-020? (i) If so, what benefits were provided? (*173-446B-060*)
 - Difficultly in quantifying ecosystem services. WDFW's mission is "preserving, protecting, and perpetuating the state's fish, wildlife, and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities." As a result, much of the work that WDFW pursues is focused on natural resource management – from harvest levels to species conservation to habitat restoration. Ecosystem goods and services produce the many lifesustaining benefits the diverse public of Washington State receives from natureclean air and water, fertile soil for crop production, pollination, and flood control. Ecosystem goods and services are also notoriously difficult to quantify (or monetize) because they are typically absent from business activity and market systems. Therefore, it is not a straightforward process to quantify "what benefits were provided" as this would necessitate a natural resource economics analysis for many CCA-funded projects. WDFW requests that Ecology provides increased clarity for natural resource focused state agencies on how "provided benefits" should be quantified or described qualitatively, recognizing inherent limitations of these quantification methodologies.
 - The transient nature of ecosystem services. In addition to being difficult to quantify, ecosystem services are also transient in space and time. For example, Washington's anadromous salmonid populations travel thousands of miles throughout their life cycle spanning both freshwater and marine systems. The health of a salmon run during the marine portion of its lifecycle is closely tied to upland watershed management practices. As a result, benefits from conservation or restoration projects can extend beyond the geography of the project investment. WDFW requests that Ecology provides increased clarity for natural resource focused state agencies on how the transient nature of animals, water, and ecosystem services should be accounted for when interpreting "within the boundaries of an overburdened community."

GHG Emissions Reporting Requirements

Annual Emissions Reporting Requirements (173-446B-010)

• "(3)(c) For projects that produce verifiable reductions in greenhouse gas emissions or other long-term impacts to emissions, the annual report must also identify: A comparison to other greenhouse gas emissions reduction projects."

> • The requirement to provide a comparison to other greenhouse gas emissions reduction projects is not included in any other sections of the draft rule. WDFW is unclear if this requirement applies only to Ecology or to CCA recipients as well; and if so, what the emissions reduction comparison should entail. WDFW recommends that Ecology clarify whether this is a requirement of recipients and provide context for what the comparison should include.

Expenditure Types Subject to Emissions Reporting Requirements (173-446B-050)

- "(1) If an expenditure results in a reduction of greenhouse gas emissions that can be quantified using a methodology and calculator tool approved by Ecology as described in 173-446B-070, a recipient must report whether the funding produced any verifiable reduction in greenhouse gas emissions or other long-term impact to emissions."
 - WDFW is concerned that many projects will not yield short term emissions reduction that could report annually. WDFW recommends adjusting the language to focus on projected emissions reduction over a specified time period (e.g., over the life of the project).
 - WDFW is unclear how to interpret "can be quantified" in this context. For instance, it is uncertain whether WDFW is only required to report emissions reduction using Ecology's methodology and tools, which may only be appropriate for estimating reduction from a subset of our initiatives. Alternatively, is WDFW required to report emissions reduction for all projects, even if one needs to use more advanced calculations to estimate emissions?

Emissions Reduction Reporting Requirements (173-446B-060)

- "(1)(k)(i)¹ Did this expenditure produce any verifiable reduction in greenhouse gas emissions or other long-term impact to emissions, as defined in WAC 173-446B-050? If so, what is the projected quantity of reduced greenhouse gas emissions (carbon dioxide equivalent) for the expenditure?"
 - The use of "verifiable reduction" and "projected quantity" is confusing; the terms are being used interchangeably and WDFW interprets them as having different meanings. As noted in our comments for section *173-446B-050*, WDFW recommends that Ecology clarify whether recipients will report actual calculated emissions reduction (i.e., verifiable reduction in GHG emissions), or projected emissions reduction over an established time period (i.e., projected quantity of reduced GHG emissions).
 - WDFW also recommends Ecology define and/or provide examples of "other long-term impact to emissions." WDFW is unclear what Ecology would consider

¹ The following feedback also applies to (2)(l)(i) Did this grant or contract produce any verifiable reduction in greenhouse gas emissions or other long-term impact to emissions, as defined in WAC 173-446B-050? If so, what is the projected quantity of reduced greenhouse gas emissions (carbon dioxide equivalent) for the grant or contract?

a different impact to emissions beyond reduction and what period of time is considered "long-term."

Emissions Reduction Calculation Methodology (173-446B-070)

- "(1) For each expenditure that produced verifiable reductions in greenhouse gas emissions or other long-term impact(s) to emissions, Ecology will, in consultation with the recipient, either: (a) Identify the appropriate California Air Resources Board methodology and calculator tool for use in calculating emissions reductions, and adapt the inputs used in the methodology and calculator tool as needed to be appropriate for use in Washington; (b) Adapt a California Air Resources Board methodology and calculator tool to make it appropriate; (c) Develop its own methodology; or (d) Locate a methodology from another source that is of the same or better quality than methods provided by the California Air Resources Board."
 - As noted in our comments on section 173-446B-060, WDFW recommends that Ecology define "verifiable reduction" and rewrite this phrase to clarify when Ecology will specify the methods and tools that recipients will use to calculate emissions reduction. As written, this statement implies that funding recipients will calculate the emissions reduction before consulting with Ecology.
 - This statement also implies that recipients can take their own approach to calculating or projecting emissions while other sections of the draft rule indicate there will be a single methodology and calculator. As noted in our comments on section 173-446B-050, WDFW recommends Ecology clarify whether one is expected to use a single calculator and methodology, or if Ecology will permit the use of multiple tools and methodologies.

Once again, thank you for the work Ecology is doing to synthesize the reporting requirements articulated in the CCA, and for the opportunity to provide feedback. If you have any questions about our comments, please contact me at <u>Margen.Carlson@dfw.wa.gov</u>.

Respectfully,

Volen

Margen Carlson, Conservation Director Washington Department of Fish and Wildlife