

March 30, 2021

Diane Butorac / Fran Sant GAP Rule Leads Department of Ecology PO Box 47600 Olympia, WA 98504-7600

RE: Alliance of Western Energy Consumers Comments – Greenhouse Gas Assessment for Projects

Ms. Butorac / Ms. Sant:

Thank you for the opportunity to provide some high-level comments regarding the draft language for the proposed rule on greenhouse gas assessment for projects (GAP Rule). On behalf of the Alliance of Western Energy Consumers (AWEC), we offer the following comments as part of the informal public record.

The development of a rule to determine the how best to manage greenhouse gas emissions from projects is important to developing certainty for project proponents, both at existing and new facilities proposed in the state. Unfortunately, the draft-language provided by the Department needs additional work and analysis before publishing a rule for formal public comment.

Specifically, there are three things we will highlight as areas Ecology could do additional work to better define the application of the GAP Rule – thus better ensuring consistency and predictability for project proponents.

First, the Governor's directive 19-18 requires the GAP Rule be established to cover "major industrial projects and major fossil fuel projects." However, the rule doesn't specifically define what constitutes a major industrial or major fossil fuel project. Instead, the rule sets a threshold of potential emissions from a project – 10,000 metric tons of CO2e – but doesn't provide the justification as to why this threshold is selected or acceptable as "major." We would encourage the Department to provide more objective analysis and define major projects on a set of criteria beyond an arbitrary number for which the state currently requires reporting. Ecology should show how many projects and the types of projects that will be covered by the GAP Rule, including considering different thresholds.

Second, under the proposed GAP Rule language, the state would require mitigation for emissions based on a life-cycle analysis of both inputs and outputs from a facility – in essence, requiring emission mitigation in our state for emissions generated outside of the state. We are concerned such a mitigation requirement exceeds the state's authority, and effectively will prohibit projects where the rule is applicable. The State's Environmental Policy Act is not meant to be a tool used to stop projects, but to mitigate adverse impacts to the environment in our state. Limiting the reach of the underlying rule, to appropriately mitigate emission within our state is appropriate.

Third, the GAP Rule needs to be consistent with – and account for other statutes, rules and laws that mitigate or govern greenhouse gas emissions. Without more objective criteria on the types of projects covered under the rule and alignment of mitigation requirements, project proponents will be faced with increased costs and uncertainty.

In closing, AWEC believes the State needs a responsible GAP Rule, to ensure emissions with a significant environmental impact in Washington are mitigated. This will require Ecology to focus the rule, removing obstacles to compliance, and avoid future uncertainty in endless litigation by project opponents. Additional analysis and comment are being provided by the North West Pulp and Paper Association and Western States Petroleum Association, which AWEC supports in conclusion.

We welcome the opportunity to continue the informal discussion with the Department to ensure a rule achieves both certainty for projects, as well as protection of our environment. Please let us know if you have any questions or follow up.

Sincerely,

Brandon Houskeeper Alliance of Western Energy Consumers