Avista Corp

see attached

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Sent via public comment portal at Ecology.wa.gov

March 30, 2021

Fran Sant
GAP Rule Rulemaking Lead
Washington State Department of Ecology
300 Desmond Dr SE
Lacey, WA 98503

RE: Avista comment on the proposed rule, Chapter 173-445 WAC – Greenhouse Gas Assessment (GAP) for Projects, GAP Rule Conceptual Framework and related documents.

Ms. Sant:

Avista appreciates the opportunity to provide comments to the Washington Department of Ecology (Ecology) as part of rulemaking for Greenhouse Gas Assessment for Projects (GAP), WAC 173-445. Avista has previously provided comments to Ecology on December 15, 2020, in answer to questions posed by Ecology regarding this rulemaking during the summer and fall of 2020. The December 2020 comment letter is being included as an attachment to the current comment letter and is applicable to the draft GAP Rule Conceptual Framework and the draft GAP Rule Questions for Mitigation documents.

Thank you for providing additional information regarding implementation of the GAP rule by publishing the documents referenced above. This current comment letter addresses additional concerns related to the GAP Rule Conceptual Framework document.

GAP Rule Conceptual Framework

The section on Applicability calculations, page 17 states that "All calculations will be done using an annual potential to emit (PTE) basis and the global warming potentials (GWP) in WAC 173-441-040." The following questions relate to interpretation of this standard.

- Is the calculation for annual PTE to be calculated during the lifecyle of a project, during an annual period during which emissions are expected to be at a maximum?

- Or is the calculation for annual PTE to be calculated for each year during the lifecycle of the project and summed to determine applicability?

- Or is the calculation for annual PTE just a comparison between the baseline for a project and an estimated annual PTE for the three categories listed in the previous section of the document, Initial screening process, as shown below?

    - GHG emissions from the potential combustion or oxidation of organic compounds used at the project facility, as inputs used by the project, and as outputs from the project.

    - GHG emissions from the potential use of purchased electricity.

    - GHG emissions from certain industrial processes at project facilities.

Please either include additional guidance in the Rule Applicability section of the document or additional examples in Appendix B, Examples.

The last paragraph in the Applicability calculations section states that "The applicability level is pass or fail, so once the level is met or exceeded, no further calculations are necessary." While this is useful for projects that may exceed the applicability level, additional guidance for projects that do not exceed the applicability level would be helpful. Please either include additional guidance in the Rule Applicability section of the document or additional examples in Appendix B, Examples, for projects with sufficient assessment per rule applicability guidelines, but that are not subject to the GAP rule as a result of the applicability assessment.

In addition, the Wood and Wood Residuals entry for Table 2, Product Table for Initial Screening, needs clarification. For example, wood residuals used as fuel in the hogged fuel boiler at the Avista Kettle Falls Generating Station typically have a water content of about 48% on an annual basis, with a subsequent higher heating value on a per ton basis of about 9 MMbtu. Given this water content, about 12,000 tons of wood residuals would need to be combusted to exceed a CO_2e of 10,000 tons, about half of the value listed in Table 2. Please clarify in the entry for Wood and Wood Residuals the assumed water content of the default entry, or preferably, that the default entry is based upon a dry basis, with zero water content.

Avista appreciates the opportunity to comment on this proposed rule and we look forward to participating in further discussions on these topics. Please direct any questions regarding these comments to me at 509-495-4738 or kevin.booth@avistacorp.com.

Sincerely,

Kevin Booth
Sr. Environmental Scientist
(509) 495-4738
kevin.booth@avistacorp.com

attachment: Avista Comment Letter WAC 173-445, December 2020

1411 East Mission Avenue
PO Box 3727
Spokane, WA 99220-3727

Sent via public comment portal at Ecology.wa.gov

December 15, 2020

Fran Sant
GAP Rule Rulemaking Lead
Washington State Department of Ecology
300 Desmond Dr SE
Lacey, WA 98503

RE: Avista comment on the new proposed rule, Chapter 173-445 WAC – Greenhouse Gas Assessment for Projects.

Ms. Sant:

Avista appreciates the opportunity to provide comments to the Washington Department of Ecology (Ecology) as part of rulemaking for Greenhouse Gas Assessment for Projects (GAP), WAC 173-445. The general comments and responses here concern selected questions posed by Ecology regarding this rulemaking during the summer and fall of 2020.

General Applicability of the GAP Rule

Ecology should establish appropriate de minimis emission rates based on direct emissions from the projects potentially subject to the GAP Rule, below which the various technical evaluations in the rule do not apply. The GAP Rule represents a potentially complex, costly, and time-consuming process for smaller projects that is not justified by project size. The intent to regulate smaller sources was not indicated in the authorizing document, the Directive from the Governor of Washington State, 19-18, dated December 19, 2019. Directive 19-18 states that "*The Rules should cover major industrial projects and major fossil fuel projects…".*

Ecology has indicated that, with respect to existing facilities, the GAP Rule would apply to any single project that has emissions of over 10,000 MT CO2e/yr. This would include not only direct emissions, but potentially also includes criteria for assessing upstream and downstream lifecycle emissions attributable to a project, including transportation, leakage, and market effects, and an assessment of any induced load or growth in fuel or energy consumption or electricity generation from a project.

Ecology should consider whether there may be alternative methods that could provide greater clarity for projects without having to conduct the complex and detailed technical evaluations, as mentioned previously. For example, using direct project emissions only, Ecology could rely on

its prior SEPA GHG guidance, which included a screening table to estimate when projects would exceed the 10,000 MT CO2e/year and 25,000 MT CO2e/year thresholds. This prior SEPA guidance required disclosure when new project emissions were expected to average over 10,000 MT CO2e/year and required quantitative analysis when new emissions were expected to average over 25,000 MT CO2e/year. The guidance also established a presumption of non-significance when GHG emissions were expected to be lower than 25,000 MT CO2e/year. The use of this tiered approach is also supported by the recent comment regarding GAP rulemaking submitted by the Northwest Clean Air Agency[1]. The comment states that projects during the last five-year period, permitted at the Northwest Clean Air Agency, with direct emissions between 10,000 - 25,000 MT CO2e/yr, all received minor source permits. Subjecting projects typically receiving minor source permits to the full extent of the complex and detailed technical evaluations proposed by the GAP Rule represents an unreasonable regulatory burden on smaller sources, as mentioned previously. The Northwest Clean Air Agency comment letter also concludes that, using the available data, *"If the rule cut-off was set at 25,000 metric tons, we would capture 84% of the CO2e that would be captured using the 10,000 ton threshold…*" further supporting the use of a higher numeric applicability threshold for the additional technical evaluations proposed by the Gap Rule.

Applicability of the GAP Rule for Biogenic Sources

Avista supports the current applicability threshold for disclosure of biogenic source emissions as required by WAC 173-441. We propose that projects with primarily biogenic emissions not be subject to the full scope of the GAP rule and the additional proposed technical evaluations, unless non-biogenic emissions from these project sources exceed 25,000 MTCO2e/yr.

Ecology Mitigation Question-What types of emission should mitigation address? On-site emissions, in-state emissions (on-site, upstream and downstream), upstream out-of-state emissions.

For projects subject to the full extent of the GAP Rule, Ecology should consider in-state emissions only, for upstream, on-site, and downstream emissions from these projects.

Ecology Mitigation Question-Should mitigation vary for different types of projects, such as factories, export facilities, or linear projects like pipelines or electricity lines?

Linear projects typically result in de minimis amounts of GHG emissions. Any attempt at a detailed technical evaluation of these projects should consider the impact of double counting of emissions for downstream impacts and also be limited to assessing impacts of the incremental change to existing infrastructure.

Linear projects can also be an essential component in support of renewable energy projects. As such, any mitigation assessment should include the impact of the renewable energy project the linear project supports.

[1]Comment regarding WAC 173-445 rulemaking from Northwest Clean Air Agency submitted to Ecology on august 25, 2020 at https://scs-public.s3-us-gov-west-1.amazonaws.com/env_production/oid100/did200004/pid_200702/assets/merged/pv0mikr_document.pdf?v=KB4MTYAJ9

Ecology Mitigation Question-How should emissions involving projects that modify an existing facility be calculated

Technical evaluations, including emission calculations, should be limited to assessing impacts of the incremental change to the existing facilities and infrastructure.

Consistent with SEPA's purpose to inform agency decision-making, the GAP Rule should provide practical direction on the scope and methods for calculating GHG emissions for covered projects that are useful to decision-makers. The GAP Rule should not require project proponents to conduct analyses of GHG emissions outside the state of Washington or are otherwise speculative. As previously stated, only non-biogenic emissions from biogenic sources above 25,000 MT/CO2e/yr should be considered for the full scope of GAP Rule technical evaluations.

Ecology Mitigation Question - What process should be used to track and verify emissions subject to mitigation?

Use existing authority and calculation methods as specified in WAC 173-441, Reporting of Emissions of Greenhouse Gases**.**

Ecology Mitigation Question-Are there types of mitigation projects which should or should not be included?

Project proponents should only be responsible for mitigating those impacts that can be reasonably controlled by the project proponent. The GAP Rule should be consistent with the SEPA principle that mitigation measures "shall be reasonable and capable of being accomplished." Ecology recognizes in its SEPA rules that the scope of impacts analysis may be "wider" than the impacts for which agencies may require mitigation, WAC 197-11-060(4)(e). Accordingly, any required mitigation should be reasonable and achievable. In addition, for projects that require it, allow Best Available Control Technology (BACT) as mitigation. As a result, implementation of BACT on a project should be considered as an acceptable greenhouse gas mitigation measure.

Ecology Environmental Assessment Question - What are best practices in estimating construction-related emissions from SEPA or NEPA that we should consider for the rule?

Construction emissions are short-term and typically very small compared to operational emissions from a completed project. As such, permitting agencies typically do not include these emissions in normal air quality analyses or permitting actions.

Ecology Environmental Assessment Question - Have you used the ISO 14040/44 standards to conduct a life cycle analysis? If so, where do you believe the rule needs additional specificity to make implementing the standards practical or feasible?

Avista has not used life cycle analysis for any project to date. Please provide case studies on the life cycle analysis process as examples of what an adequate analysis encompasses.

Ecology Environmental Assessment Question - Are there special considerations we should take into account for projects that may lack a central facility or clear "on site" emissions (e.g., linear projects)?

Same response as above. Linear projects typically result in de minimis amounts of GHG emissions. Any attempt at a detailed technical evaluation of these projects should consider the impact of double counting of emissions for downstream impacts and also be limited to assessing impacts of the incremental change to the existing infrastructure.

As suggested in the previous section "**General Applicability of the GAP Rule",** Ecology should establish appropriate de minimis emission rates based on direct emissions from the projects potentially subject to the GAP Rule, below which the various technical evaluations in the rule do not apply.

Ecology Environmental Assessment Question - What should the time period for the assessment be? Under SEPA, the analysis usually considers the typical operational lifespan of a project and construction, but the time period could be longer to align with the GHG emission limits, or for other reasons.

GHG emissions analysis should be consistent with the typical operational lifespan of a project, as presented in project air quality permitting documents and the SEPA Environmental Checklist.

Ecology Environmental Assessment Question - Should the rule identify starting and ending points of the life cycle analysis for project inputs and outputs? This could be at specific points, or the rule could provide more general direction, depending on the project type.

The GAP Rule should define the chronological starting and ending points for any life cycle analysis. The GAP Rule should also define the geographic boundary for any life cycle evaluation. As stated above, we are suggesting the life cycle evaluation only consider in-state emissions.

Avista appreciates the opportunity to comment on this proposed rule and we look forward to participating in further discussions on these topics. Please direct any questions regarding these comments to me at 509-495-4738 or kevin.booth@avistacorp.com.

Sincerely,

Kevin Booth
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