

June 15, 2020

Stu Clark

Department of Ecology

300 Desmond Drive SE

Lacey, WA 98503

RE: AWB Comments and input on the Department of Ecology Greenhouse Gas Assessment for Projects rulemaking process

Dear Mr. Clark,

On behalf of the Association of Washington Business (AWB), we appreciate this opportunity to provide some constructive input on the rulemaking process for Ecology's Greenhouse Gas Assessment for Projects (GAP). As you know, stakeholder input is critical for drafting workable and cost effective rules and AWB proposes the following suggestions for your consideration as you begin work towards developing this rule. AWB believes these suggestions will help Ecology staff receive important stakeholder feedback and also help produce a rule that works towards lowering our state's greenhouse gas emissions without significant costs to the state business community.

We have organized this letter in two sections, one which details some overall suggestions from AWB members and the second part which includes three sections from HB 1549, a bill from the 2019 legislative session that also touched on this topic. These sections are key points which we hope make it into the final rule. AWB testified neutral on HB 1549 but believes that it provides a strong framework and would welcome a more comprehensive discussion of the methodology laid out in the bill.

Section 1. General Suggestions

- Include a de minimis level for emissions, below which GHG emissions from projects do not have significant adverse environmental impacts. Since the governor's executive order directs the Department to focus on "major" emitters, this would be in line with the direction from the governor.
- Consideration of the impact of leakage and the overall impact of global greenhouse gas emissions outside the borders of the state. AWB believes that shifting our emissions out of the state is not in the best interest of either our state or the climate.
- Release working drafts before formal release of CR 102. An ongoing dialogue between the stakeholder community and Ecology would provide more immediate feedback as the rulemaking process advances and allow for a more refined product when the CR 102 is released.
- Allow Best Available Control Technology (BACT) as mitigation. Installation of BACT must be considered as an acceptable greenhouse gas mitigation measure.
- Consider responsible growth allowance. To encourage responsible growth, the Department must evaluate mitigation of greenhouse gas emissions on a greenhouse gas intensity basis.

- Align emission factors with existing rules. The final rule should use the same GHG emission factors that are currently used in EPA and other state GHG reporting rules to help streamline any reporting to the public and state agencies.
- Limit geographic scope of secondary emissions. Similar to the offshore boundary definition of the Clean Air Rule, the scope of secondary emissions should be limited to Washington state borders and offshore waters under state control (3 or 5 miles as opposed to 200 mile federal limit).

Section 2. HB 1549 Feedback

The following three bullets are elements from HB 1549 which the AWB believes are of particular value and would like to see included in the rulemaking discussions. As Ecology determines the scope of the proposed rule and its methodology, we believe these will provide a useful framework.

- Sec. 1(4)-(5). The rule must require lead agencies to consider the same scope and context the lead agency uses to quantify the inventory of indirect emissions, such that the significance of global life-cycle emissions are evaluated in the context of total greenhouse gas emissions that occur within the borders of the state; (5) the rule must acknowledge that the existence of significant cumulative impacts caused by other sources of greenhouse gas emissions does not constitute substantial evidence that the proposed action's contribution to global emissions are cumulatively significant
- Sec 1. (9) if the rule requires consideration of global life-cycle emissions in any fashion, it must also establish a threshold of direct emissions attributable to an action below which the lead agency may not consider global life cycle emissions associated with that action.
- Sec. 1 (10) d. The methodology may, consistent with RCW 43.21C.060, authorize mitigation for greenhouse gas emissions only if this mitigation is reasonable and capable of being accomplished. The methodology may not require mitigation in excess of a proportional share of the state's reduction targets set forth in chapter 70.235 RCW or mitigation that eliminates completely the impact of the greenhouse gas emissions of an action in order to be considered sufficient to mitigate that impact for purposes of RCW 43.21C.060

Thank you again for your consideration of this input. AWB and our members look forward to constructively engaging with you and the rest of the Department staff as the rulemaking develops.

Thank you,

Peter Godlewski

Government Affairs Director, Environment and Energy

Association of Washington Business