

Climate Change

Background – In recent years the more neutral term “climate change” has replaced “global warming” for explaining certain climatological events. Although many people would understand “climate change” to include both naturally-generated and human-caused activities which may affect the earth’s climate, the policies and laws in Washington discussed here are focused exclusively on human-generated activities. For purposes of better understanding this issue within the state, please note the Legislature has adopted a definition of “greenhouse gases” (GHG) which “includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.”

Executive Actions

The climate change agenda in Washington was triggered by Governor Gregoire’s Executive Order 07-02 on February 2, 2007 in which she set the following goals:

1. Reduce statewide greenhouse gas emissions to 1990 levels by 2050;
2. Increase “green collar” jobs;
3. Reduce Washington’s dependence on out-of-state fuels.

At this same time, she asked 27 members representing various interests and backgrounds to form the Climate Action Team (CAT) and make recommendations on ways in which her goals could be attained.

Legislative Actions

During the 2007 Session, the Legislature responded to the governor’s initiative on climate change by adopting the goals of her executive order in law through **SB 6001**.

In the 2008 Session, the Legislature passed **HB 2815** which moved beyond the adoption of GHG goals and to the enactment of mandates intended to reduce greenhouse gas emissions (GHG). HB 2815 has the following major components:

- ◆ Establishes *achievement* of emission goals as state policy.
- ◆ Directs the state to participate in the Western Climate Initiative (WCI) to develop a model to achieve GHG reductions using a “cap-and-trade” system.
- ◆ Establishes requirements for monitoring and reporting GHG emissions by certain businesses in order to track state progress in achieving reduction levels.
- ◆ Benchmarks are established for the statewide reduction of miles traveled by passenger and other vehicles weighing less than 10,000 pounds.
- ◆ Program to transition workers to clean energy jobs (green collar jobs).

Specific provisions of HB 2815 include:

Implementation:

- ◆ Requires the DOE to use its existing authority to *achieve* greenhouse gas emission to benchmarks established for 2020, 2035 and 2050.
 - By 2020 – 1990 level
 - By 2035 – 25% less than 1990 levels
 - By 2050 – 50% less than 1990 levels (or 70% below the state’s expected emissions that year)
- ◆ Requires DOE to submit a plan for review and approval to the Legislature by December 1, 2008 on how to achieve these reductions using new and existing authority.

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Western Climate Initiative: Requires the DOE and CTED, in coordination with the Western Climate Initiative (WCI), to develop by December 1, 2008 a design for a regional multi-sector, market-based system (cap-and-trade) to reduce greenhouse gas.

- ◆ DOE and CTED are required to submit the report to the Legislature for approval and authority to implement.
- ◆ Membership is composed of representatives from six states (Arizona, California, New Mexico, Oregon, Washington and Utah) and two Canadian provinces (British Columbia and Manitoba).
- ◆ A regional goal of 15% below 2005 GHG levels by 2020 has already been agreed to by all parties.

Monitoring and Reporting: Requires DOE to adopt monitoring and reporting rules for certain businesses which are major sources of greenhouse emissions. The monitoring and reporting requirements include:

- ◆ Companies of vehicle fleets which emit at least 2,500 metric tons of greenhouse gas (carbon dioxide) per year must report. **(Note: 282,643 gallons of gasoline per year is the equivalent of 2,500 metric tons of CO₂(e))** And operations which emit at least 10,000 metric tons of greenhouse gas per year must also report.
- ◆ DOE may defer reporting requirements for emissions associated with interstate and international commercial aircraft, rail, truck or marine vessels for a time.
- ◆ Fees are required for administering these reporting requirements and penalties on those who fail to report their annual emissions.

Statewide reduction of vehicle miles traveled:

- ◆ The state Department of transportation (WSDOT) is required to establish benchmarks for reducing the miles traveled statewide as stated in the governor's executive order 07-02.
- ◆ The reduction of miles traveled only applies to vehicles weighing less than 10,000 pounds.
- ◆ The statewide baseline of miles traveled will be 75 billion miles and require WSDOT to meet the following benchmarks:
 - 2020 decrease miles traveled by 18%;
 - 2035 decrease miles traveled by 30%;
 - 2050 decrease miles traveled by 50%.
- ◆ In order to assist state, regional and local entities reach the previous benchmarks, WSDOT shall establish a process which will allow for public review and comment.

Green Jobs (Clean/Alternative Energy Sector):

- ◆ Green Economy Jobs Growth Initiative is established.
- ◆ Creation of 25,000 green collar jobs by 2020; up from 8,400 green collar jobs (2004).
- ◆ Employment Security Department, in consultation with other agencies and groups, shall propose which industries will be considered high-demand green industries and which jobs are high-wage occupations within these industries.
- ◆ Green collar job training account grants to be made available to community and technical colleges for transitioning "target populations" into the green energy economy.

- ◆ “Target populations” are those already in green industry occupations, dislocated workers in declining industries who may be retrained for high-wage occupations in high-demand green industries, dislocated agriculture, timber, or energy sector workers, eligible veterans or national guard members, disadvantaged populations, or anyone eligible to participate in the state Opportunity Grant program.

SB 6580, also passed during the 2008 Session, amends the Growth Management Act to provide the legal authority for counties and cities to incorporate measures to reduce green house gasses in their comprehensive plans. A task force was created to advise the Department of Community, Trade, and Economic Development in producing recommendations for methodologies, legislative changes, and other activities that will assist governments in addressing climate change. CTED’s report to the legislature is due December 1, 2008.

Other Actions

2008 Climate Action Team (CAT)

In an effort to meet the requirement of HB 2815 to submit a comprehensive report and recommendations for reducing greenhouse gases to the Legislature by December 1, 2008, the DOE and CTED expanded the membership of the 2007 Climate Action Team (CAT) to a total of forty-one. This new group, referred to as the 2008 CAT, held its first meeting on May 13, 2008. Four additional meetings are planned prior to the December 1, 2008 deadline.

Implementation Working Groups (IWG)

Smaller advisory groups to the 2008 CAT are also meeting during the 2008 interim. The four IWGs and their specific goals are:

1. *Transportation IWG* – Recommend tools and best practices to achieve the vehicle miles travelled required in HB 2815.
2. *Energy Efficiency and Green Buildings IWG* – Achieve significant emission reductions with improvements to state construction codes.
3. *Beyond Waste IWG* – Significantly expand reduction, reuse, recycling and composting with an implementation plan for reducing greenhouse gas.
4. *SEPA IWG* – Develop recommendations to ensure that consideration of climate change is included in the SEPA processes and documents.

Ag and Forest Sector Carbon Market Workgroups

Two small working groups will make recommendations on ways in which forest and agricultural lands and their practices can be utilized for offsetting emissions from carbon-generating sectors in the WCI process. The WSDA and WSU are the lead entities for the Agricultural Sector Workgroup, while the Forest Sector Workgroup has DNR and DOE as its co-leads.

Cap and Trade - The Western Climate Initiative, the state and the federal government have been discussing a cap-and-trade system as a means of reducing greenhouse gas emissions. Such a system would establish rates of reduction for generators of greenhouse gas emissions with fees charged to those who do not achieve their target levels of emission. Entities unable to meet their target GHG emissions could then purchase GHG “credits” from those within the cap-and-trade system who have exceeded their target levels. Such a system is touted as providing a “free-market” component, fiscal incentive that will compel entities to reduce greenhouse gas emissions.

There are numerous concerns with such a program:

- Who runs the system? Is it a governmental entity or private organization?
- Who handles the money and the credits? Many proposals shift money from energy-producing companies to nonprofits, universities, or programs that purportedly will reduce greenhouse gases. This is a way for environmental activists to get funding for their agendas without actually having to produce results in reducing carbon emissions. Wouldn't it be better for environmental protection to have those companies that produce energy reinvest in their own research and development?
- A cap-and-trade system does not directly reduce emissions; it merely shifts money. It allows people like Al Gore to maintain a huge home with a swimming pool and travel in privately owned jets while claiming a zero-carbon footprint because he purchased credits. The rich will be able to pollute while the poor pay higher energy prices and struggle to reduce their emissions due to the costs.
- In 2006, American consumers received roughly 85 percent of their energy from fossil fuels, 8 percent from nuclear, and 7 percent from renewable resources which includes 3 percent from hydropower. As U.S. Senator Inhofe explained, "the boutique sources of energy like wind, solar, and biomass, the ones that excite environmentalists, just aren't available in more than trifling amounts" and will not be able to address the future need for energy as population increases and people continue to enjoy technology to its fullest.

Currently, Congress is considering federal legislation pertaining to a cap-and-trade program. The US Senate bill under consideration is S.3036.

Some Basic Facts

- Washington is the leading hydroelectric power producer in the Nation. Hydroelectric power accounts for nearly three-fourths of state electricity generation.
- The Grand Coulee hydroelectric power plant on the Columbia River is the highest capacity electric plant in the United States.
- With five refineries, Washington is a principal refining center for the Pacific Northwest.
- State jet fuel consumption is among the highest in the nation, due in part to several large Air Force and Navy installations.
- The Governor's Climate Advisory Team reported that in 2005 Washington produced **1 percent** of United States carbon emissions at 95 million metric tons. In 2004, world totals were 30,860 million metric tons, so the rough percentage of global impact Washington's emissions is **less than 1/3 of 1% percent!**
- China's greenhouse gas emissions now exceed those of the United States. U.S. consumers benefit from the low-cost goods created in China that are transported across the ocean, either by jet or ship, putting greenhouse gasses into the atmosphere. A true environmentally-conscious policy would be to import and export less materials and goods, which would negatively impact our economy.