

SENATE BILL REPORT

SB 5802

As of February 21, 2013

Title: An act relating to developing recommendations to achieve the state's greenhouse gas emission limits.

Brief Description: Developing recommendations to achieve the state's greenhouse gas emissions limits.

Sponsors: Senators Ranker, Litzow, Frockt, Cleveland, Billig, Kohl-Welles, Murray and McAuliffe; by request of Governor Inslee.

Brief History:

Committee Activity: Energy, Environment & Telecommunications: 2/20/13.

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

Staff: Jan Odano (786-7486)

Background: Since the Industrial Revolution, human activities have released large amounts of carbon dioxide (CO₂) and other greenhouse gases (GHGs) into the atmosphere. According to the U.S. Environmental Protection Agency (EPA), in 2010 the primary sources of greenhouse gas emissions in the United States are electricity production at 34 percent, transportation at 27 percent, industrial processes, usually for energy at 21 percent, commercial and residential at 11 percent, and agriculture at 7 percent. Land use and forestry provide an offset of 15 percent of GHG emissions.

The main GHG from human activities are CO₂, methane, and nitrous oxide (N₂O). Chlorofluorocarbons, hydrochlorofluorocarbons, hydrofluorocarbons, and perfluorocarbons also have a long life in the atmosphere and contribute to climate change.

CO₂ is the primary greenhouse gas that is contributing to recent climate change. Atmospheric CO₂ concentrations have increased by almost 40 percent since pre-industrial times. CO₂ is absorbed and emitted naturally as part of the carbon cycle, through animal and plant respiration, volcanic eruptions, and ocean-atmosphere exchange.

Methane is produced through both natural and human activities. For example, natural wetlands, agricultural activities, and fossil fuel extraction and transport all emit methane.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

N₂O is the result of natural and human activities, mainly through agricultural activities and natural biological processes. Fuel burning and some other processes also create N₂O. N₂O concentrations have risen approximately 18 percent since the start of the Industrial Revolution.

In 2008, the Legislature established GHG emission reductions for Washington State which includes the following:

- by 2020, reduce overall emissions of GHG in the state to 1990 levels;
- by 2035, reduce overall emissions of GHG in the state to 25 percent below 1990 levels; and
- by 2050, the state will do its part to reach global climate stabilization levels by reducing overall emissions to 50 percent below 1990 levels, or 70 percent below the state's expected emissions that year.

Summary of Bill: The Office of the Governor must contract with an independent and objective organization to prepare an evaluation of approaches to reduce GHG emissions. A report with the evaluation must be provided by October 15, 2013 to the Governor and the Climate Legislative and Executive Workgroup (Workgroup).

The evaluation must include a review of other countries and states' GHG emission reduction programs and regional efforts to reduce GHG. The report must include available information from each program on: the effectiveness of the jurisdiction in achieving its emission reduction goals; the impact on the economy, including power rates; the effect on household consumption and spending, including measures to mitigate for low-income populations; displacement of emission sources due to the program; and significant co-benefits, such as to public health, and to the jurisdiction.

The evaluation must also include an examination and summary of opportunities for new manufacturing infrastructure and cleaner energy and energy efficiency investments, that includes results from other states and countries; other jurisdictions' achievements on fossil fuel independence and the impacts to their economies; and existing studies of the potential costs to Washington consumers and businesses of unmitigated climate change.

The evaluation must analyze Washington State's emissions and related energy consumption profile and include the following:

- total expenditure for energy by fuel category and sources of fuel; and
- options for an approach to reduce emissions that would increase spending on in-state energy production relative to expenditures on imported energy sources, and effects to job growth and economic performance.

The Workgroup is created consisting of the Governor, a representative from the executive branch, and four members and two alternates from each the House and Senate. The Workgroup must recommend a state program to reduce GHG, that if implemented would achieve the state's GHG emission limits. The recommendations must include consideration of current best science, effectiveness, and administration of the program and polices; timeline for actions; and funding necessary to implement the recommendations. The Workgroup must use the evaluation and report provided by the independent organization to inform its

recommendations. The Workgroup must schedule at least one meeting where the public may provide input. By December 31, 2013, the Workgroup must provide a report to the Legislature.

Appropriation: GF-S \$250,000 FY ending 2014; and GF-S \$350,000 FY ending 2015.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: PRO: This is the first step to set GHG emission limits and reduce our carbon footprint. We need to develop the tools to address climate change and it is incumbent on the Governor and the Legislature to design the tools. The impacts from climate change are affect the people and their livelihood throughout the state. The potential costs to the state are \$10 billion. We need to find the most effective, lowest-cost way to address climate change. There are major economic risks and health risks.

CON: The premise of the bill is flawed; it has no scientific basis. The science does not support a warming Washington or planet. Since 1997, temperatures are going down and CO2 levels are rising. Trying to meet the GHG limits would have an unacceptable impact on the economy without affecting climate change.

Climate change is a global issue that needs a global solution. We need to ensure that for the money spent we receive the maximum environmental benefit.

Persons Testifying: PRO: Mary Moore, League of Women Voters of WA; Clifford Traisman, WA Conservation Voters, WA Environmental Council; Dr. Richard Fenske, University of Washington School of Public Health; Bill Dewey, Taylor Shellfish; Megan Owen, McKinstry; Perry England, MacDonald-Miller; Nancy Atwood, Puget Sound Energy; Bob Burr, Josephine Ferorelli, citizens.

CON: Gary Ritchie, Robert Benze, citizens.

OTHER: Elsa Bruton, citizen. Brandon Houskeeper, Assn. of WA Business; Todd Myers, WA Policy Center.