

HOUSE BILL REPORT

E3SHB 1144

As Passed House:
February 14, 2018

Title: An act relating to amending state greenhouse gas emission limits for consistency with the most recent assessment of climate change science.

Brief Description: Amending state greenhouse gas emission limits for consistency with the most recent assessment of climate change science.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Fitzgibbon, Ryu, Peterson, Stanford, Jinkins, Goodman, Ormsby, Fey, Pollet, Tarleton, Doglio, Farrell and Macri).

Brief History:

Committee Activity:

Environment: 1/23/17, 2/2/17 [DPS];

Appropriations: 2/15/17, 2/21/17 [DP2S], 1/22/18, 1/24/18 [DP3S].

Floor Activity:

Passed House: 2/14/18, 50-48.

Brief Summary of Engrossed Third Substitute Bill

- Modifies state greenhouse gas emissions reduction targets, moving from 25 percent below 1990 levels to 40 percent below 1990 levels by 2035, from 50 percent below 1990 levels to 80 percent below 1990 levels by 2050, and adding a target of 19 percent below 1990 levels by 2025.
- Directs the Department of Ecology to include additional information in its biennial greenhouse gas emissions report to the Governor and the Legislature, including the quantity of greenhouse gas emissions from wildfire, the total and per capita greenhouse gas emissions from other states, and the greenhouse gas emissions reductions achieved by state agencies.
- Directs the Joint Legislative Audit and Review Committee to submit to the Legislature by June 30, 2019 and every five years thereafter an analysis of the economic impact, whether positive or negative, and the impact on jobs, whether positive or negative, resulting from the greenhouse gas emissions reductions specified in the act.

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.

HOUSE COMMITTEE ON ENVIRONMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Fitzgibbon, Chair; Peterson, Vice Chair; Fey, Kagi, McBride and Taylor.

Minority Report: Do not pass. Signed by 2 members: Representatives Shea, Ranking Minority Member; Dye.

Staff: Robert Hatfield (786-7117).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The third substitute bill be substituted therefor and the third substitute bill do pass. Signed by 17 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Bergquist, Cody, Fitzgibbon, Hansen, Hudgins, Jinkins, Kagi, Lytton, Pettigrew, Pollet, Senn, Springer, Stanford, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 14 members: Representatives Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Buys, Caldier, Condotta, Graves, Haler, Harris, Manweller, Schmick, Taylor, Vick and Wilcox.

Minority Report: Without recommendation. Signed by 1 member: Representative Volz.

Staff: Dan Jones (786-7118).

Background:

Federal and State Regulation of Greenhouse Gases.

The United States Environmental Protection Agency (EPA) and the Washington State Department of Ecology (Ecology) identify carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride as greenhouse gases because of their capacity to trap heat in the Earth's atmosphere. Under the federal Clean Air Act, greenhouse gases are regulated as an air pollutant and are subject to several air regulations administered by the EPA. At the state level, greenhouse gases are regulated by Ecology under the state Clean Air Act.

In 2008 Washington enacted legislation that set a series of limits on the emission of greenhouse gases within the state. Ecology is responsible for monitoring and tracking the state's progress toward the emission limits.

The state's current limits on the emission of greenhouse gases are:

- By 2020, overall greenhouse gas emissions in the state must be reduced to 1990 levels.

- By 2035, overall greenhouse gas emissions in the state must be reduced to 25 percent below 1990 levels.
- By 2050, overall greenhouse gas emissions in the state must be reduced to 50 percent below 1990 levels, or 70 percent below the state's expected emissions for that year.

The 2008 legislation also required Ecology to consult with the climate impacts group at the University of Washington regarding the science on human-caused climate change, and to provide a report to the Legislature making recommendations regarding whether the greenhouse gas emissions reductions needed to be updated.

Ecology issued its most recent report in December 2016. The report recommended the following greenhouse gas emission limits:

- By 2020, reduce overall emissions of greenhouse gases in the state to 1990 levels.
- By 2035, reduce overall greenhouse gas emissions in the state to 40 percent below 1990 levels.
- By 2050, reduce overall greenhouse gas emissions in the state to 80 percent below 1990 levels.

The United Nations Framework Convention on Climate Change.

The United Nations Framework Convention on Climate Change (UNFCCC) took effect in 1994 and sets an overall framework for intergovernmental efforts to address challenges posed by climate change. The UNFCCC proclaims that the climate system is a shared resource and that its stability can be affected by industrial and other emissions of carbon dioxide and other greenhouse gases. Governments engage in a variety of collaborative activities under the UNFCCC, including: gathering and sharing information on greenhouse gas emissions, national policies, and best practices; launching national strategies for addressing greenhouse gas emissions and adapting to expected impacts, including the provision of financial and technological support to developing countries; and agreeing to international treaties such as the Kyoto Protocol, which set binding targets for 37 industrialized countries and the European community for reducing greenhouse gas emissions.

The 2015 round of talks under the UNFCCC took place in Paris, France, and resulted in what is commonly referred to as the Paris Agreement. Under the Paris Agreement, each participating nation determines the contribution, known as the intended nationally determined contribution, that it will make toward a global reduction in greenhouse gas emissions. The Paris Agreement also contains a mechanism for developed countries to fund climate change adaptation and mitigation in developing countries. A total of 197 countries, including the United States, have signed the Paris Agreement.

The United States signed the Paris Agreement on April 22, 2016. Under the intended nationally determined contribution that the United States submitted to the United Nations, the United States committed to reducing greenhouse gas emissions to 26 percent below 2005 levels by 2025, and to making best efforts to reduce greenhouse gas emissions to 28 percent below 2005 levels. On June 1, 2017, the United States announced that it would withdraw from the Paris climate agreement as soon as it is eligible to do so.

Summary of Engrossed Third Substitute Bill:

Washington must limit emission of greenhouse gases to achieve the following reductions for the state:

- By 2020, reduce overall emissions of greenhouse gases in the state to 1990 levels (no change from current law).
- By 2025, reduce greenhouse gas emissions to 19 percent below 1990 levels, and to make best efforts to reduce greenhouse gas emissions to 21 percent below 1990 levels, consistent with the commitment submitted to the United Nations as the intended nationally determined contribution by the United States under the 2015 Paris climate agreement.
- By 2035, reduce overall emissions of greenhouse gases in the state to 40 percent below 1990 levels (compared to current reduction of 25 percent below 1990 levels).
- By 2050, reduce overall emissions of greenhouse gases in the state to 80 percent below 1990 levels (compared to current reduction of 50 percent below 1990 levels).

The alternative targeted reduction of greenhouse gases by 2050, to 70 percent below the state's expected emissions for that year, is eliminated.

For the biennial report that the Department of Ecology (Ecology) submits to the Governor and the Legislature, Ecology must coordinate with the Department of Natural Resources to determine and report the total greenhouse gas emissions from wildfire in the state. The report must also describe the per capita and total greenhouse gas emissions of the other states, and must identify Washington's numerical ranking among the other states in terms of total and per capita emissions. The report must also describe the amount of money that each state agency has spent during the biennium to reduce greenhouse gas emissions, the greenhouse gas emissions reductions made by each state agency during the biennium, and the cost-per-ton of greenhouse gas emissions reductions for each state agency. The Joint Legislative Audit and Review Committee must prepare and submit to the Legislature by June 30, 2019, and every five years thereafter, an analysis of the economic impact, whether positive or negative, and the impact on jobs, whether positive or negative, resulting from the greenhouse gas emissions reductions specified in this section.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Environment):

(In support) Since 2008, confidence in the human link to climate change has only increased. There is now better science on the amount by which greenhouse gas emissions need to be reduced. If emissions drop by a sufficient amount by 2050, it is more likely than not that the global climate temperature increase can be kept to 2 degrees Celsius or less. The 2013 Intergovernmental Panel on Climate Change report is peer-reviewed, and concluded that it is extremely likely that more than half of observed recent temperature changes have been man-made. The public may think scientists are debating, but they are not. Scientists now are at a level of certainty with regard to climate change that compares to the level of certainty that

smoking causes cancer. The year 2016 was the warmest year on record. We can prevent the most catastrophic impacts of climate change by setting science-based limits. Washington has an opportunity to lead on climate change. The really drastic changes in climate are yet to come. A recent study concluded that for every ton of carbon dioxide emitted, sea ice is reduced by 3 square meters. Washington currently emits approximately 10 tons of carbon dioxide per person per year, or approximately 70 megatons per year. The per capita average in the United States is 20 tons of carbon dioxide per year. Carbon dioxide emissions in the United States started to go down in approximately 2005. The current limits are a statement of direction that guide the Legislature and the state agencies. We are in a state of emergency, and if we do not address this situation, our kids are not going to be able to solve it in 2050. We do not have any time to waste. Our current atmospheric levels of carbon dioxide are now at 405 parts per million. If you actually want to cut emissions, you need to cut emissions according to the target set for 350 parts per million of atmospheric carbon dioxide.

(Opposed) Increasing Washington's emissions reductions targets assumes that we are all starting from the same point. Washington has already made great strides in reducing greenhouse gas emissions. Washington represents 0.1 percent of global carbon dioxide emissions. The way that Washington measures its carbon dioxide emissions is different than the Environmental Protection Agency or other states. Measuring Washington's carbon dioxide emissions by consumption makes Washington's emissions profile look worse than it really is. The easier or more inexpensive reductions have already been addressed, and further reductions would be very expensive. It does not make sense to move forward with additional reductions until there is a plan in place for how to meet the 2008 reductions. It is one thing to set aspirational goals, but goals can turn into strict limits, and that raises concerns. If, in an effort to be a leader on this issue, we damage the state economy, we ultimately do harm to the overall reduction goals, because businesses may move elsewhere and possibly emit more. The world recognizes hydroelectric power as a renewable resource, but we are limited in our ability to do that in Washington because of Initiative-937.

(Other) Recent reports suggest that climate sensitivity to carbon dioxide emissions is actually going down. There is reason to be skeptical that numbers that are divisible by five represent science. In order to have an effective climate change policy, we cannot create a crisis mentality. We have done a lot of things in Washington that have been ineffective. We do not have metrics for two things: for what is effective and for accountability. Solar subsidies are high cost, low yield. If you are going to set standards, you should set standards for efficiency and accountability. If Washington achieved 80 percent reductions below 1990 levels, that would take the state to 3.2 tons of carbon dioxide per person per year - similar to Cuba, Romania, and Uzbekistan.

Staff Summary of Public Testimony (Appropriations):

(In support) The bill updates Washington's greenhouse gas emissions targets to align with those committed to by the United States in Paris in 2015, which will likely limit global warming to below 2 degrees Celsius on average. The targets in the bill are informed by the latest science, which is important for the policy decisions based on those targets. The costs in the fiscal note are minimal in comparison to the costs from climate change if action is not taken. The limits are an aspirational goal and do not impose requirements on any particular industry.

(Opposed) When there are mandates from the State of Washington there is leakage, and the result is increased global emissions, decreased employment, increased fiscal costs for the state, and decreased tax revenue. The focus should be on tools that the private sector can use to drive down emissions without a mandate.

Persons Testifying (Environment): (In support) Representative Fitzgibbon, prime sponsor; Richard Gammon and Sarah Myre, University of Washington; Ron Lindsay, Union of Concerned Scientists; and Stu Clark, Department of Ecology.

(Opposed) John Rothlin, Avista; Jessica Spiegel, Western States Petroleum Association; Tim Boyd, Industrial Customers of Northwest Utilities; and Michael Foster.

(Other) Todd Myers, Washington Policy Center.

Persons Testifying (Appropriations): (In support) Representative Fitzgibbon, prime sponsor; Kelly Hall, Climate Solutions; and Stu Clark, Department of Ecology.

(Opposed) Mary Catherine McAleer, Association of Washington Business.

Persons Signed In To Testify But Not Testifying (Environment): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.