

2SHB 2119 - H AMD 278

By Representative Morris

ADOPTED 03/18/2003

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The purpose of the Washington climate
4 action registry is to assist entities that voluntarily choose to record
5 their greenhouse gas emission inventories in order to gain recognition
6 for emission reductions under any future federal regulatory regime and
7 to trade emission credits. To that end, the Washington climate and
8 rural energy development center may:

9 (1) Provide technical and educational resources to registrants;

10 (2) Publish basic definitions and protocols and identify
11 organizations qualified to provide technical assistance to registrants;

12 (3) Assist registrants, if requested by the registrant, to devise
13 protocols, reporting formats, and verification procedures as may be
14 sought by the registrant to ensure the credibility of the information
15 recorded in the registry; and

16 (4) Develop protocols for a specific economic sector that apply to
17 all registrants in that sector if sectorwide protocols are requested by
18 a registrant of that economic sector.

19 NEW SECTION. **Sec. 2.** The definitions in this section apply
20 throughout this chapter unless the context clearly requires otherwise.

21 (1) "Center" means the Washington climate and rural energy
22 development center established in RCW 28B.30.642.

23 (2) "Direct emissions" are emissions from sources, sinks, and
24 activities that an entity owns or has direct or effective control over,
25 such as, but not limited to, on-site combustion and process equipment
26 emissions.

27 (3) "Emissions" means the net of release and absorption of
28 greenhouse gases into or from the ambient air.

1 (4) "Emissions inventory" means the report of emissions and
2 normalized emissions for a calendar year.

3 (5) "Entity" means a for-profit or a nonprofit corporation filing
4 a separate federal income tax return, a city or county, each state
5 government department and agency, and all political subdivisions of the
6 state.

7 (6) "Greenhouse gases" means those gaseous constituents of the
8 atmosphere, both natural and anthropogenic, that absorb and emit
9 radiation at wavelengths within the spectrum of infrared radiation
10 emitted by the earth's surface, atmosphere, and clouds.

11 (7) "Normalized emissions" means a ratio of emissions per unit time
12 divided by a factor such as, but not limited to, revenues,
13 expenditures, energy use, or production for the same time period and
14 for the same scope as the emissions.

15 (8) "Normalized emissions for electrical generation facilities"
16 means a measurement of emissions based on pounds, or the metric
17 equivalent of pounds, of emissions per megawatt hour.

18 (9) "Primary greenhouse gas" means carbon dioxide,
19 hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, and
20 sulfur hexafluoride.

21 (10) "Registrant" means an entity that has voluntarily filed with
22 the registry information, notified the center that it intends to record
23 emissions inventories, and has paid the necessary fees.

24 (11) "Registry" means the Washington climate action registry.

25 (12) "Scope" means the sources, sinks, and activities creating
26 emissions designated by the center.

27 (13) "Subsidiary" means an entity effectively under the control of
28 a parent entity, including but not limited to, public and private
29 nonprofit and for-profit corporations, whose board of directors or
30 similar managing authority is composed of a majority of persons
31 appointed by either the legislative or executive authority, or both, of
32 the parent entity. However, each department and independent agency of
33 the state and each municipal electric utility may not be considered a
34 subsidiary of a parent entity for the purpose of this chapter.
35 "Subsidiary" includes entities that are joint ventures with other
36 entities with emissions assigned to the parent entities according to
37 mutual agreement or in the absence of an agreement in proportions
38 determined by the protocols of the registry.

1 NEW SECTION. **Sec. 3.** (1) The center may establish and maintain
2 the registry to assist entities that voluntarily register emission
3 inventories in receiving recognition under any future federal
4 regulatory scheme relating to greenhouse gases and trading emissions
5 credits. An entity operating in the state may voluntarily register
6 with the center and use the services of the center.

7 (2) The center may: (a) Adopt protocols for defining the scope of
8 emissions inventories, and for measuring, calculating, reporting, and
9 verifying emissions, normalized emissions, and emission inventories;
10 (b) adopt a uniform format for reporting emissions inventories; and (c)
11 maintain a record of verified emissions inventories submitted by active
12 registrants.

13 (3) The center may adopt procedures for delisting registrants and
14 adopt fees to: (a) Recover any costs necessary to maintain the
15 registry; (b) develop protocols for a specific economic sector under
16 section 5 of this act; and (c) provide assistance to registrants.

17 (4) All records or other information furnished to the registry by
18 a registrant remain the property of the registrant in perpetuity.
19 Nothing in this chapter may be construed to affect in any way the right
20 of privacy and confidentiality of a registrant's records or other
21 information.

22 NEW SECTION. **Sec. 4.** (1) A registrant that voluntarily reports
23 its emission inventories with the center may report emissions for which
24 it may seek recognition under any future regulatory scheme or for
25 credit trading.

26 (2) Except as provided in section 5 of this act, registrants may:
27 (a) File with the registry as an entity and may report emission
28 inventories for subsidiaries, individual facilities, or projects, as a
29 subset of an entity's entire emissions inventory report. A registrant
30 may separately report emissions inventories for subsidiaries,
31 facilities, projects, or portions of the entity in other countries, and
32 it may report emissions inventories for subsidiaries or individual
33 facilities located in the state or report emissions inventory for its
34 entire operations. A registrant's scope may include all activities,
35 sources, and sinks in the state and may include the remainder of the
36 entity in the United States. A registrant may report verified

1 emissions inventories for sequential multiple years after January 1,
2 1990, from facilities or activities outside the entity for which it
3 claims ownership of the net change in emissions;

4 (b) Record an emissions inventory by calendar year. Registrants
5 that have sufficiently complete data for prior years that can be
6 verified may record emissions inventories for consecutive years before
7 the first year for which they report, but not before January 1, 1990;

8 (c) Separately identify within their annual emissions inventories
9 any rights or ownership to emissions or emissions credits by year, that
10 have been acquired from or transferred to: (i) Other entities located
11 within or outside the state; or (ii) within the registrant entity,
12 including its subsidiaries, to or from locations outside the state that
13 would not otherwise be included in a registrant's report. An
14 explanatory note may be included in the registry to prior years' data
15 when there is a change in the procedures or protocols by which a
16 registrant's emissions inventories are created. Registrants may record
17 emissions inventories with separately identified adjustments to report
18 any change in scope. Registrants may record verified revised emissions
19 inventories for prior years to conform to current protocols or current
20 scope. Where the scope of the registrant changes significantly during
21 the year, the center may record with the registry for the year in which
22 the scope change occurs an emissions inventory including only the scope
23 of the prior year and shall add an explanatory note to the record;

24 (d) Identify and quantify any portion of the emissions inventory
25 that is being reported to any other registry of greenhouse gas
26 emissions, any differences between the reports, and the name and
27 address of the other registry; and

28 (e) Hire, at their own expense, a third-party organization or
29 person qualified under this chapter to independently verify and attest
30 to the accuracy of the emission results reported by the registrant to
31 the registry.

32 NEW SECTION. **Sec. 5.** If a registrant requests that protocols be
33 developed for the specific economic sector in which the registrant
34 files its emissions inventory, the center shall develop protocols for
35 that specific economic sector. In developing the protocols, the center
36 must take into consideration input from other potential registrants,
37 public and private sector interests, and any source necessary to

1 accomplish the goals of this chapter. Protocols must be developed for
2 defining the scope of emissions inventories, and for measuring,
3 calculating, reporting, and verifying emissions, normalized emissions,
4 and emissions inventories for a specific economic sector. The center
5 may register and record only those inventories of registrants that
6 choose to record greenhouse gas emissions inventories using the
7 protocols developed by the center under this section for a specific
8 economic sector.

9 NEW SECTION. **Sec. 6.** (1) The center may develop a procedure for
10 identifying and qualifying third-party organizations or persons who can
11 provide registrants competent technical assistance and advice in any or
12 all of the areas of verifying emission inventories, measuring,
13 monitoring, and calculating greenhouse gas emissions, and identifying
14 appropriate emissions reduction targets. The center may limit its
15 recognition of the organization or person to specific areas of
16 competency. The center may reopen the qualification process
17 periodically to enable new organizations and persons to be added to the
18 list.

19 (2) All records or other information furnished to or reviewed by a
20 person under this section remain the property of the registrant in
21 perpetuity. Nothing in this chapter may be construed to affect in any
22 way the right of privacy and confidentiality of a registrant's records
23 or other information.

24 NEW SECTION. **Sec. 7.** If a mandatory federal greenhouse gas
25 emissions registry is enacted, the director of the center must report
26 to the legislature as soon as practical on any conflicts with this
27 chapter. The center shall certify the date on which a mandatory
28 federal greenhouse gas registry becomes operational. As of the date
29 certified by the center, the center may no longer accept emissions
30 inventories for registration with the state greenhouse gas emissions
31 registry.

32 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act constitute
33 a new chapter in Title 43 RCW."

34 Correct the title.

EFFECT: (1) Changes the approach to establishing a greenhouse gas emission registry from one that requires voluntary participants to report, measure, and calculate emissions according to protocols developed by the Washington Climate and Rural Energy Development Center through a public process to one that allows each voluntary participant to develop inventories unique to the participant with the assistance of the Center if necessary; (2) allows for a registrant to request that the Center develop protocols for the registrant's specific economic sector and provides that the Center may register and record only those inventories of registrants who comply with these protocols in developing and recording their greenhouse gas emissions inventories; (3) changes the requirement that inventories be verified by an independent third party at no cost to the registrant to a voluntary verification by an independent third party paid for by the registrant; and (4) adds a definition of normalized emissions for electrical generation facilities.

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