
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2119

State of Washington

58th Legislature

2003 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Linville, Morris, Romero, Kagi, Kirby, Edwards, Wallace, Chase, Cooper, Hunt and Upthegrove)

READ FIRST TIME 03/10/03.

1 AN ACT Relating to voluntary registration of greenhouse gas
2 emissions; and adding a new chapter to Title 43 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

- 10 (1) Provide technical and educational resources to registrants;
11 (2) Publish basic definitions and protocols and identify
12 organizations qualified to provide technical assistance to registrants;
13 (3) Assist registrants, if requested by the registrant, to devise
14 protocols, reporting formats, and verification procedures as may be
15 sought by the registrant to ensure the credibility of the information
16 recorded in the registry; and
17 (4) Develop protocols for a specific economic sector that apply to
18 all registrants in that sector if sectorwide protocols are requested by
19 a registrant of that economic sector.

1 NEW SECTION. **Sec. 2.** The definitions in this section apply

2 throughout this chapter unless the context clearly requires otherwise.

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

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

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

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

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

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

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

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

28 (9) "Primary greenhouse gas" means carbon dioxide,
29 hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, and
30 sulfur hexafluoride.

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

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

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

37 (13) "Subsidiary" means an entity effectively under the control of
38 a parent entity, including but not limited to, public and private

1 nonprofit and for-profit corporations, whose board of directors or
2 similar managing authority is composed of a majority of persons
3 appointed by either the legislative or executive authority, or both, of
4 the parent entity. However, each department and independent agency of
5 the state and each municipal electric utility may not be considered a
6 subsidiary of a parent entity for the purpose of this chapter.
7 "Subsidiary" includes entities that are joint ventures with other
8 entities with emissions assigned to the parent entities according to
9 mutual agreement or in the absence of an agreement in proportions
10 determined by the protocols of the registry.

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

17 (2) The center may: (a) Adopt protocols for defining the scope of
18 emissions inventories, and for measuring, calculating, reporting, and
19 verifying emissions, normalized emissions, and emission inventories;
20 (b) adopt a uniform format for reporting emissions inventories; and (c)
21 maintain a record of verified emissions inventories submitted by active
22 registrants.

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

27 (4) All records or other information furnished to the registry by
28 a registrant remain the property of the registrant in perpetuity.
29 Nothing in this chapter may be construed to affect in any way the right
30 of privacy and confidentiality of a registrant's records or other
31 information.

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

36 (2) Except as provided in section 5 of this act, registrants may:

1 (a) File with the registry as an entity and may report emission
2 inventories for subsidiaries, individual facilities, or projects, as a
3 subset of an entity's entire emissions inventory report. A registrant
4 may separately report emissions inventories for subsidiaries,
5 facilities, projects, or portions of the entity in other countries, and
6 it may report emissions inventories for subsidiaries or individual
7 facilities located in the state or report emissions inventory for its
8 entire operations. A registrant's scope may include all activities,
9 sources, and sinks in the state and may include the remainder of the
10 entity in the United States. A registrant may report verified
11 emissions inventories for sequential multiple years after January 1,
12 1990, from facilities or activities outside the entity for which it
13 claims ownership of the net change in emissions;

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

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

34 (d) Identify and quantify any portion of the emissions inventory
35 that is being reported to any other registry of greenhouse gas
36 emissions, any differences between the reports, and the name and
37 address of the other registry; and

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

5 NEW SECTION. **Sec. 5.** If a registrant requests that protocols be
6 developed for the specific economic sector in which the registrant
7 files its emissions inventory, the center shall develop protocols for
8 that specific economic sector. In developing the protocols, the center
9 must take into consideration input from other potential registrants,
10 public and private sector interests, and any source necessary to
11 accomplish the goals of this chapter. Protocols must be developed for
12 defining the scope of emissions inventories, and for measuring,
13 calculating, reporting, and verifying emissions, normalized emissions,
14 and emissions inventories for a specific economic sector. The center
15 may register and record only those inventories of registrants that
16 choose to record greenhouse gas emissions inventories using the
17 protocols developed by the center under this section for a specific
18 economic sector.

19 NEW SECTION. **Sec. 6.** (1) The center may develop a procedure for
20 identifying and qualifying third-party organizations or persons who can
21 provide registrants competent technical assistance and advice in any or
22 all of the areas of verifying emission inventories, measuring,
23 monitoring, and calculating greenhouse gas emissions, and identifying
24 appropriate emissions reduction targets. The center may limit its
25 recognition of the organization or person to specific areas of
26 competency. The center may reopen the qualification process
27 periodically to enable new organizations and persons to be added to the
28 list.

29 (2) All records or other information furnished to or reviewed by a
30 person under this section remain the property of the registrant in
31 perpetuity. Nothing in this chapter may be construed to affect in any
32 way the right of privacy and confidentiality of a registrant's records
33 or other information.

34 NEW SECTION. **Sec. 7.** If a mandatory federal greenhouse gas
35 emissions registry is enacted, the director of the center must report

1 to the legislature as soon as practical on any conflicts with this
2 chapter. The center shall certify the date on which a mandatory
3 federal greenhouse gas registry becomes operational. As of the date
4 certified by the center, the center may no longer accept emissions
5 inventories for registration with the state greenhouse gas emissions
6 registry.

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

--- END ---