H-3009.1

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**HOUSE BILL 2684**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** Representatives DeBolt, Magendanz, Condotta, and Muri

AN ACT Relating to requiring that rules to regulate greenhouse gas emissions must provide for the establishment of credits for certain emission reduction activities; and adding a new section to chapter 70.94 RCW.

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

NEW SECTION. **Sec.**  A new section is added to chapter 70.94 RCW to read as follows:

(1) A greenhouse gas rule adopted by the department must be consistent with the requirements of this section.

(2)(a) A greenhouse gas rule must allow a source to earn a credit for each ton of carbon dioxide equivalents that the source does not emit relative to a business as usual level of greenhouse emissions by the source that would have taken place prior to the effective date in the rule of any restrictions or limits on greenhouse gas emissions by the source.

(b) After the effective date of a greenhouse gas rule's restrictions or limits on greenhouse gas emissions by a source, the rule must allow the source to earn a credit for each ton of carbon dioxide equivalents that the source does not emit relative to the limits or restrictions established in the rule for the source.

(3) Consistent with RCW 80.80.110, a greenhouse gas rule may not further limit or restrict the carbon dioxide or greenhouse gas emissions of a coal-fired baseload electric generation facility whose greenhouse emissions are regulated pursuant to RCW 80.80.040. A greenhouse gas rule must allow a coal-fired baseload electric generation facility to earn a credit for each ton of carbon dioxide equivalents that the facility does not emit relative to a business as usual level of greenhouse emissions by the facility and consistent with chapter 80.80 RCW. Under the rules established pursuant to this subsection, a coal-fired baseload electric generation facility may earn credits for emissions reductions that take place before December 31, 2020.

(4) A greenhouse gas rule must allow for the emissions reduction credits earned by a source under subsection (2) of this section or a coal-fired baseload electric generation facility under subsection (3) of this section to be purchased by a source that is subject to emissions limits or restrictions under the greenhouse gas rule. A source may use the purchased credits to offset or count towards the greenhouse gas emission restrictions or limits that the rule establishes for the emissions of the purchasing source.

(5) The greenhouse gas rule must base determinations of business as usual levels of greenhouse gas emissions upon on the average emissions from a source during the most recent three years for which greenhouse gas emissions data is available or capable of being estimated.

(6) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Baseload electric generation" has the same meaning as defined in RCW 80.80.010.

(b) "Carbon dioxide equivalents" has the same meaning as defined in RCW 70.235.010.

(c) "Greenhouse gas" and "greenhouse gases" has the same meaning as defined in RCW 70.235.010.

(d) "Greenhouse gas rule" means a rule that establishes limits or restrictions on the emissions of carbon dioxide or other greenhouse gases that is adopted by the department after January 1, 2015, under the authority in this chapter.

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