**2957-S AMH DEBO H5366.1 - NOT FOR FLOOR USE**

**SHB 2957** - H AMD **2113**

By Representative DeBolt

On page 14, line 21, after "(4)" insert "(a) The department shall adopt by rule a verifiable inventory of emission reduction units, credits, or other market-based mechanisms before beginning implementation of any program to reduce greenhouse gas emissions under this chapter. The rule may not be implemented unless the department is able to provide sufficient emission reduction units, credits, or other mechanisms for the first compliance period. Thereafter, the department must demonstrate sufficient compliance mechanism availability to the obligated parties prior to each emission reduction compliance period. If the department is not able to make such demonstration, the program will remain at the same reduction of emissions from the previous compliance period. The rule may not limit the use of offsets from other jurisdictions and must provide that liquid biofuels and forestry qualify as compliance mechanisms.

(b) The department shall by rule provide that allowances issued or distributed by a greenhouse gas emission reduction program established by a jurisdiction other than the state of Washington qualify as verifiable allowances under the rule. The rule must state clearly which jurisdictions outside of the state of Washington comply with the rule and clearly describe how allowances from jurisdictions outside the state of Washington comply with the rule.

(c) The department shall by rule provide that allowances issued or distributed by a greenhouse gas emission reduction program established by a jurisdiction other than the state of Washington qualify as a compliance mechanism under any program to reduce greenhouse gas emissions under this chapter.

(5)"

EFFECT: Requires the Department of Ecology (Ecology) to adopt by rule a verifiable inventory of emission reduction units or other market-based mechanisms prior to implementing a greenhouse gas emission reduction program. Prohibits Ecology from initiating the program or lowering emission reduction thresholds at the end of a compliance period if sufficient compliance mechanisms are not determined to be available. Requires rules to not establish limitations on the use of offsets from other jurisdictions and to allow liquid biofuels and forestry as compliance mechanisms. Requires Ecology rules to provide that allowances from greenhouse gas emission reduction programs of other jurisdictions qualify as a compliance mechanism under any Washington greenhouse gas emission reduction program.