
Climate Change in the Northwest - Tribal Perspectives

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Total = 92.9 million metric tons CO2-equivalent
State, Regional, National Involvement

Climate Action Team

Executive Order 07-02

Western Climate Initiative
WA, OR, CA, AZ, NM, UT, MT, B.C., MB, QC

Greenhouse Gas Reporting

Education & Engagement

Mandatory Reporting

Biennial GHG Inventory

The Climate Registry

Offsets

Electricity

Scope

Scope

Reporting

Cap and Trade

Offsets

Agriculture

Local Govt

Landfills

Digesters

Forestry

Federal Legislation

Implementation Working Groups

2008

Trans

Hyd

Wet

Serv

Adaptation Workgroups

H2O

CJ

HB

Ag

TR

SB 6580
GMA/Climate

SB 6001
Utility Performance Standard

Sequestration

SB 6001
Utility Performance Standard

Sequestration

SB 2815
GHG limits and time lines

ghg reporting/

WCI direction/

Green jobs/VMT reduction goals

HB 1303
Energy and Adaptation

SB 6309
Disclosing vehicle ghg emissions

HB 3120
Green Bldg Incentives

SB 6309
Disclosing vehicle ghg emissions

SB 6309
Disclosing vehicle ghg emissions

2008
Develop regional strategies using market forces to address climate change

- Washington, Oregon, California, Arizona, and New Mexico signed in February, 2007

- Montana, Utah, British Columbia, Manitoba and Quebec have signed on

- 6 US states, 6 Mexican states and 2 Provinces are official observers

- Tribes are welcome to join as partners or observers
Collaboration includes

Three specific directives:

- Set a regional emissions reduction goal
- Join a multi-state registry to track, manage and credit reductions
- Design a regional multi-sector market-based mechanism

Joint work to:

- Increase energy efficiency
- Promote clean and renewable energy in the region
- Advocate for regional and national climate policies that are in the interest of western states and provinces
- Identify measures to adapt to climate change impact
Western Climate Initiative Status

Achieved two of the three directives:

- A regional goal established
  - 15% below 2005 by 2020
  - Committed to long term reductions to significantly lower the risk of dangerous threat

- All partners and observers have joined The Climate Registry as founding members
The fine art of balancing

- WCI is a microcosm of United States
  - Big/small
  - Urban/rural
  - Hydro/coal/oil and gas
  - More liberal/more conservative
  - Economically diverse/limited economic base
  - PLUS – 3 diverse Canadian provinces

- Multiple stakeholders, all of whom want to “help,” most of whom don’t agree with one another
  - Let’s get on with it -- be cautious; don’t make mistakes
  - Make sure it’s a fully regional market -- make sure the other jurisdictions agree with us
  - We want to trade -- we don’t want to pay
Design Principles

- Equitable, administratively simple, clear compliance path
- Maximize total benefits and avoid localized or disproportionate environmental or economic impacts
- Advance economic, environmental, and public health objectives;
- Real, verifiable, enforceable reductions
- Stimulate investment and reward innovations
- Encourage reductions beyond capped sectors/sources
- Recognition/incentives for early reductions
- Transparent and robust accounting system
- Minimize potential for leakage
- Facilitate links to other systems
Timeline

• 5 subcommittees underway
  – Preliminary recommendations released in Feb and March, 2008

• Consolidated recommendations May 16, 2008

• Initial draft design mid-Summer, 2008

• ‘Final’ design recommendations late Summer, 2008

• Intense stakeholder work Fall – Winter, 2008

• Continued work with partners on design details
Subcommittees

1. Scope
   - Sectors; sources; gases and point(s) of regulation

2. Allocations
   - Apportioning allowances under the cap
   - Recognition for early action

3. Electricity
   - Point(s) of regulation

4. Reporting
   - Coordination: Regional, TCR, EPA; Verification

5. Offsets
   - Project location and types; limits; links to other systems
Scope

*Initial Recommendations to date*

- Large Stationary Combustion
  - Industrial Process
  - Waste Management
  - Fossil Fuel Production and Processing

*Added in May*

- Residential and commercial fuels

*Still to be decided*

- Transportation Fuels
- Threshold levels
- Point of regulation for each covered sector
Allocations

*Initial Recommendations to date*

- 3 year compliance period with “special” initial compliance period
- Banking, no borrowing
- Allowance distribution by partners
- Minimum percentage auctioned
- Early action credits come from partner budgets

*Still to be decided*

- Program start date
- Rules for initial compliance period
- Amount of auction v. free distribution
- Partner allowance budget
Reporting

*Initial recommendations to date*

- Common “essential elements” by all partners
- Use The Climate Registry infrastructure
- Begin reporting before cap and trade starts

*Still to be decided*

- Identification of essential elements
- Reporting start date
- Coordination with EPA
Offsets

Initial Recommendations to date

- Include offsets as alternative compliance

  Added in May

- Pre-approved projects

- Project based approval

- Use standardized protocols including protocols developed by WCI

  Still to be decided

- Limits: in quantity or geographically

- Offsets and allowances from other systems (EU ETS; RGGI)
Electricity

• Two designs proposed for point of regulation
  – Generator based
    • Generators in partner jurisdiction only
    • Would not cover emissions from other states, federal government or tribes
  – First Jurisdictional Deliverer
    • Generators in partner jurisdiction and
    • First party to deliver electricity generated outside WCI partners (imported power)
Overarching Recommendation

• Create joint structure for administration
  - coordinate review and adoption of protocols
  - coordinate review and issuing of offsets
  - provide the criteria and means to accredit verification service providers
  - coordinate the regional auction of allowances
  - track emissions and allowances
  - monitor and report on market activity
Next steps or how we’ll spend our summer vacation

- A lot of work remains to be done
  - Much more is “still to be decided” than indicated
    - Some initial recommendations may be revamped or eliminated as the program comes together
- Work with stakeholders and legislators after “final design” is drafted (HB 2815)
- Prepare for the 2009 legislative session
- Continue WCl work on next level details – post September
- Work with our Congressional delegation
How to keep up with the processes

www.ecy.wa.gov/climatechange

Join the climate list server