



Interim Guidance Third-Party Emissions Verification: Transaction Sector Specialist Frequently Asked Questions

Issued by the Climate Commitment Act Implementation
Group, Climate Pollution Reduction Program
Washington State Department of Ecology
Olympia, Washington
February 2024, Publication No. 24-14-033

Publication Information

This document is available on the Department of Ecology's website at:
<https://apps.ecology.wa.gov/publications/summarypages/2414033.html>

Cover photo credit

Photo by [Marco Bicca](#) on [Unsplash](#)

Contact Information

For more information, contact:

Katie Kaku, Ph.D.
Climate Commitment Act Implementation
Group, Climate Pollution Reduction Program
GHGVerification@ecy.wa.gov

ADA Accessibility

The Department of Ecology is committed to providing people with disabilities access to information and services by meeting or exceeding the requirements of the Americans with Disabilities Act (ADA), Section 504 and 508 of the Rehabilitation Act, and Washington State Policy #188.

To request an ADA accommodation, contact Ecology by phone 360-407-6800 or email at Emily.Powers@ecy.wa.gov. For Washington Relay Service or TTY call 711 or 877-833-6341. Visit Ecology's website for more information.

Interim Guidance Third-Party Emissions Verification: Transaction Sector Specialist Frequently Asked Questions. 2

Introduction	3
1.1: Definition of Terms and Acronyms	3
1.1.1: Where are definitions of Electric Power Entity (EPE)-related acronyms located?.....	3
1.1.2: What are MJRPs, ACSs, and FJDs?.....	3
1.1.3: What is substitute power?	3
1.1.4: What are adjacencies?	3
1.1.5: What are CBOB and RBOB?.....	4
1.1.6: What is the definition of City Gate?.....	4
1.2 Verifying EPEs	4
1.2.1: What is a Lesser of Analysis and what is being compared in a Lesser of Analysis?	4
1.2.2: Is a Retail Provider required to include "on behalf of" imports?	4
1.2.3: What are the sources of Emission Factors (EFs) for specified and unspecified sources?	4
1.2.4: Is there a default EF which may have to be used where Ecology cannot determine the EF?.....	5
1.2.5: Are EPEs subject to methodology change restrictions?.....	5
1.2.6: Were EPE's required to file a Greenhouse Gas (GHG) Report for reporting year (RY) 2022? Should verifiers review the RY 2022 GHG Report when verifying the RY 2023 GHG Report?	5
1.3 Verifying Fuel Suppliers	5
1.3.1: What is the fuels transaction reporting threshold?.....	5
1.3.2: Who holds the responsibility for reporting if the fuel supplier imports fuel outside of the bulk system?5	
1.3.3: Are fuel suppliers subject to methodology change restrictions?.....	6
1.3.4: Is requesting a copy of a financial audit from a fuel supplier during the verification process a requirement?	6
1.4 References	6
1.4.1: Where can the Reporting of Emissions of Greenhouse Gases regulations be found?.....	6
1.4.2: Where are the third-party verification regulations?.....	6
1.4.3: Who can I reach out to with more questions?.....	6

Introduction

Washington State Department of Ecology (Ecology) has developed this interim guidance for third party emissions verifiers transaction sector specialists that verify greenhouse gas (GHG) emissions filed by reporters under WAC 173-441 and are required to have these emissions verified by a third party. Ecology is structuring this interim guidance in the format of Frequently Asked Questions (FAQs). This guidance does not have the force of law, does not establish new mandatory requirements for GHG reporting, and in no way supplants, replaces, or amends any of the legal requirements of the Rule. Conversely, an omission or truncation of regulatory requirements in this guidance does not relieve operators of their legal obligation to fully comply with all requirements of WAC 173-441.

1.1: Definition of Terms and Acronyms

1.1.1: Where are definitions of Electric Power Entity (EPE)-related acronyms located?

Refer to WAC [173-441-124\(2\)](#) for definitions specific to electric power entities.

1.1.2: What are MJRPs, ACSs, and FJDs?

MJRPs are multijurisdictional retail providers. ACSs are asset controlling suppliers. FJDs are first jurisdictional deliverers. Definitions of these terms are found in [WAC 173-441-124](#).

1.1.3: What is substitute power?

When conducting a lesser of analysis, if the import listed on the e-Tag is greater than scheduled generation, the generation is claimed as a specified import, and the balance from the e-Tag is considered substitute power. This substitute power is claimed as an unspecified import.

1.1.4: What are adjacencies?

According to the whitepaper, [Consideration of electricity imports and determination of the electricity importer under the Climate Commitment Act](#):

NERC defines an 'Adjacent Balancing Authority' as one 'whose Balancing Authority Area is interconnected with another Balancing Authority Area whether directly or via a multi-party agreement or transmission tariff.' An adjacency establishes a Point of Interconnection or scheduling point that a requesting BA can use on another BA's system (2023).

Please refer to the whitepaper for additional guidance regarding the treatment of transactions at adjacency points.

1.1.5: What are CBOB and RBOB?

[40 CFR Part 98](#) defines CBOB and RBOB as blendstocks:

Blendstocks are petroleum products used for blending or compounding into finished motor gasoline. These include RBOB (reformulated blendstock for oxygenate blending) and CBOB (conventional blendstock for oxygenate blending), but exclude oxygenates, butane, and pentanes plus.

1.1.6: What is the definition of City Gate?

City gate is defined in 40 CFR Part 98 as a “location at which natural gas ownership or control passes from one party to another, neither of which is the ultimate consumer. In this rule, in keeping with common practice, the term refers to a point or measuring station at which a local gas distribution utility receives gas from a natural gas pipeline company or transmission system. Meters at the city gate station measure the flow of natural gas into the local distribution company system and typically are used to measure local distribution company system sendout to customers.”

1.2 Verifying EPEs

1.2.1: What is a Lesser of Analysis and what is being compared in a Lesser of Analysis?

Section 2.2 of Ecology's [Interim Guidance for Electric Power Entity Reporting](#) defines lesser of analysis and when it should be used, and provides examples of Lesser of Analysis from under generation and from over generation.

1.2.2: Is a Retail Provider required to include "on behalf of" imports?

[WAC 173-441-124\(3\)\(d\)](#) requires retail providers that report any imports or exports to also report electricity imported on their behalf to serve their load and identify the importing first jurisdictional deliverers. While the FJD holds the compliance obligation for these emissions, retail providers are required to report these transactions. Please reference Ecology's [Interim Guidance for Electric Power Entity Reporting](#) Section 1.0 for more information.

1.2.3: What are the sources of Emission Factors (EFs) for specified and unspecified sources?

Ecology uses emissions data obtained for Environmental Protection Agency (EPA) and net generation from the Energy Information Administration (EIA) to annually calculate specified source emission factors for sources reported in the Specified Source Registration tool by EPE reporters. Ecology calculates specified source emission factors consistent with [WAC 173-441-124\(3\)\(b\)\(ii\)\(A\)](#). These emission factors are provided in the EPE, MJRP, and ACS Excel Reporting Tools for that reporting year.

The unspecified source emission factor is based on the value consistent with [WAC 173-444-040\(4\)](#). The unspecified source emission factor is provided in the EPE, MJRP, and ACS Excel Reporting Tools for that reporting year.

ACS emission factors are based on data reported two years prior to the reporting year, consistent with Equation 124-6 in [WAC 173-441-124\(3\)\(b\)\(iii\)](#). ACS emission factors will be posted on Ecology's cap-and-invest emissions reporting website. ACS emission factors published by Ecology based on data that received a positive verification statement would not need to be reverified.

Any transaction of ACS power reported by an EPE is subject to verification.

1.2.4: Is there a default EF which may have to be used where Ecology cannot determine the EF?

According to WAC [173-441-124\(3\)\(b\)\(ii\)\(B\)\(IV\)](#):

Facilities or units will be assigned an emission factor by the ecology based on the type of fuel combusted or the technology used when a U.S. EPA GHG Report or EIA fuel consumption report is not available, including new facilities and facilities located outside the U.S.

In the case that EPA and EIA data is not available, Ecology will develop an EF based on a source's known data, including fuel type.

1.2.5: Are EPEs subject to methodology change restrictions?

All reporters are subject to the methodology change restrictions in [WAC 173-441-050\(4\)](#).

1.2.6: Were EPE's required to file a Greenhouse Gas (GHG) Report for reporting year (RY) 2022? Should verifiers review the RY 2022 GHG Report when verifying the RY 2023 GHG Report?

EPEs submitted emissions reports for RY 2022 in 2023. Verification begins for emissions reported for RY 2023. Verifiers are not asked to review reports for RY 2022.

1.3 Verifying Fuel Suppliers

1.3.1: What is the fuels transaction reporting threshold?

The reporting threshold for fuel suppliers is 10,000 Metric Tons (MT) CO₂e. Emissions for fuel suppliers must be consolidated and reported for a common primary parent company.

1.3.2: Who holds the responsibility for reporting if the fuel supplier imports fuel outside of the bulk system?

Suppliers who import fuel into Washington outside the bulk transfer/terminal system are enterers. Enterer refers to an entity that imports fuel products into Washington and who is the importer of record under federal customs law or the owner of fuel upon import into Washington if the fuel is not subject to federal customs law. Only enterers that import the fuels specified in this definition outside the bulk transfer/terminal system are subject to reporting under the regulation.

1.3.3: Are fuel suppliers subject to methodology change restrictions?

All reporters are subject to the methodology change restrictions in [WAC 173-441-050\(4\)](#).

1.3.4: Is requesting a copy of a financial audit from a fuel supplier during the verification process a requirement?

Ecology provided verification recommendations for verifier consideration. The verification body must provide an annual GHG emissions verification statement and product data verification statement to the reporter and Ecology, attesting whether the verification body has found the submitted report free of material misstatements, and whether the report is in conformance with the requirements of WAC 173-441 and WAC 173-446. Ecology retains full authority in determining if an annual GHG report contains a discrepancy, omission, or misreporting, or any combination of the three that impacts the verification status of the annual GHG report. Ecology may issue an adverse verification statement for an annual GHG report even if the annual GHG report has received a positive verification statement from the third-party verifier.

1.4 References

1.4.1: Where can the Reporting of Emissions of Greenhouse Gases regulations be found?

GHG Reporting regulations are detailed in [Chapter 173-441 WAC](#). Sector specialist guidance documents are located on Ecology's [Emissions reporting webpage](#).

1.4.2: Where are the third-party verification regulations?

Third-party verification regulations are detailed in [Chapter 173-441-085 WAC](#). Additional guidance can be found within the [Greenhouse Gas Reporting and Verification: Third-Party Verification Guidelines](#) manual.

1.4.3: Who can I reach out to with more questions?

Questions on reporting GHG emissions or product data can be addressed to GHGReporting@ecy.wa.gov.

Questions about the third-party verification process can be addressed to GHGVerification@ecy.wa.gov.

Technical issues surrounding the GHGReg/WEDGE application can be directed to the CPR-IT section: CPRPIT@ecy.wa.gov.