

Greenhouse Gas Emissions Reporting Fees

Washington State law (RCW 70.04.151(2)) directs Ecology to implement greenhouse gas reporting requirements. According to these requirements, the state's largest sources of greenhouse gas emissions must report their emissions to Ecology. Ecology is authorized to charge a fee to recover the costs of administering the reporting program. Fees will cover only the costs of the reporting program. They will not subsidize any other portion of the Air Quality Program.

Ecology worked with affected emissions sources and other stakeholders over the past year to develop a draft reporting rule. The draft rule states how the reporting fees will be calculated and allocated among sources. If proposed legislation to amend the law on reporting requirements passes, the draft rule will change; however, the changed rule will still include this process to develop the fee.

How much will the reporting program cost?

Ecology proposes to conduct a workload analysis to determine the costs of administering the reporting program. This is similar to what is done for other fee programs. The workload analysis will identify:

- Fee eligible activities (for example, information technology support, technical support to reporters, review and verification of reported emissions data, and emissions data analysis); and
- Resources needed to administer the program (for example, data storage and retrieval systems).

Ecology will develop a budget for the reporting program based on the resource requirements identified in the workload analysis. Once the budget is developed, costs will be allocated among the emissions sources.

How much will sources pay?

Ecology will not know exactly what the fees will be until we complete a workload analysis and know the total number of reporting sources. If proposed legislation on reporting requirements passes, fees are expected to be less than they would be under the current law. This is because the proposed legislation reduces Ecology's costs.

More Information

For more information about the reporting rule proposed under the current statute, go to Ecology's web site:
www.ecy.wa.gov/programs/air/globalwarm_RegHaze/GreenHousesGasreporting_rule.html

For general information on climate change, go to Ecology's Climate Change web site:
www.ecy.wa.gov/climatechange/

Contact information:

Nancy Pritchett
(360) 407-6082
nancy.pritchett@ecy.wa.gov

Special accommodations:

If you need this publication in an alternate format, call the Air Quality Program at (360) 407-6800. Persons with hearing loss, call 711 for Washington Relay Service. Persons with a speech disability, call 877-833-6341.

How will fees be allocated?

Ecology is still working on developing the exact method for allocating fees. One possible option is to create a more equitable fee structure by allocating the reporting program budget between reporting sources. Under this option, the budget allocation could consist of two portions:

- A flat fee component, and
- An emissions component.

Flat fee component

The flat fee would be the portion of the budget allocated among *all* reporting sources. For example:

- 20% of the budget is divided by the total number of reporting sources.

Emissions component

The emissions component would be allocated among reporting sources based on either the amount of emissions, or the complexity of the source. For example:

- 30% of the budget is divided by the total number of reporting sources with less than 25,000 MT of CO₂e emissions; 50% of the budget is divided by the total number of remaining reporting sources.
- 30% of the budget is divided by the total number of less complex reporting sources; 50% of the budget is divided by the total number of remaining reporting sources.

The final method of fee allocation will be established in rule.

In the early years of the program, Ecology will need to estimate the number of reporting sources based on the best available information. We will make adjustments to future budgets as we determine how many sources are subject to the reporting requirements.