

Rule Implementation Plan Chapter 173-446B WAC, Climate Commitment Act Funds Reporting

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Publication and Contact Information

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For more information contact:

Climate Pollution Reduction Program P.O. Box 47600 Olympia, WA 98504-7600

Phone: 360-407-6700

Washington State Department of Ecology — <u>www.ecology.wa.gov</u>

•	Headquarters, Olympia	360-407-6000
•	Northwest Regional Office, Bellevue	425-649-7000
•	Southwest Regional Office, Olympia	360-407-6300
•	Central Regional Office, Union Gap	509-575-2490
•	Eastern Regional Office, Spokane	509-329-3400

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Implementation Plan Chapter 173-446B WAC Climate Commitment Act Funds Reporting

Climate Pollution Reduction Program
Washington State Department of Ecology
Olympia, Washington

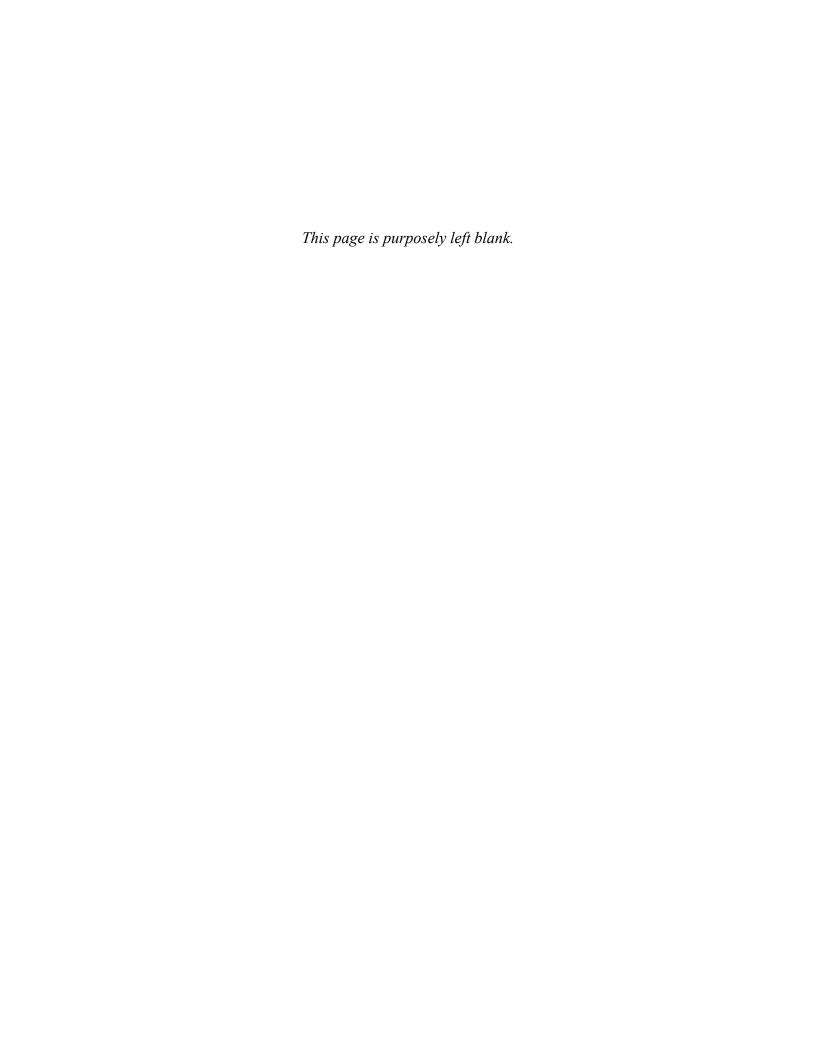


Table of Contents

	<u>Page</u>
Purpose	1
Introduction	2
Implementation and Enforcement	3
Informing and Educating Persons Affected by the Rule	4
Promoting and Assisting Voluntary Compliance	5
Evaluating the Rule	5
Training and Informing Ecology Staff	7
List of Supporting Documents that May Need to be Written or Revised	8
More Information	9
Contact Information	10

Purpose

The Washington State Department of Ecology (Ecology) provides the information in this implementation plan to meet agency and Administrative Procedure Act (RCW 34.05.328) requirements related to rule adoptions.

Introduction

On October 8, 2024, Ecology adopted Chapter 173-446B WAC Climate Commitment Act (CCA) Funds Reporting (AO # 22-18). The purpose of this rule implementation plan is to inform those who must comply with Chapter 173-446B WAC about how Ecology intends to:

- Implement and enforce the rule.
- Inform and educate persons affected by the rule.
- Promote and assist voluntary compliance for the rule.
- Evaluate the rule.
- Train and inform Ecology staff about the new or amended rule.

Also included in this plan is information about:

- Supporting documents that may need to be written or revised because of the new rule or amended rule.
- Other resources where more information about the rule is available.
- Contact information for Ecology employees who can answer questions about the rule implementation.

Implementation and Enforcement

Ecology's CCA Reporting Unit within the Climate Pollution Reduction Program's Financial Section will have primary responsibility for ensuring the successful implementation of Chapter 173-446B WAC. The unit's staff has already begun work to provide technical assistance to regulated parties.

As discussed in more detail in the other sections of this plan, staff in the CCA Reporting Unit will provide additional information for regulated entities before each reporting cycle. In the rule, Ecology commits to providing information about the manner and date for reporting by June 30 of the previous fiscal year. For example, for fiscal year 2026 reporting due to Ecology during Fall 2026, Ecology will provide guidance to agencies by June 30, 2025. For fiscal year 2024 reporting, Ecology held two question-and-answer sessions to ensure recipients were prepared to complete the required reporting. If it is deemed necessary, Ecology will hold question and answer sessions in future years.

Ecology has staff dedicated to working with recipients to adapt methodologies and calculator tools for quantifying greenhouse gas reductions under Chapter 173-446B WAC. Ecology is working to develop a process to approve methodologies and calculator tools so that they can be posted online for use by recipients in calculating the projected quantity of reduced emissions.

When reporting on direct and meaningful benefits for vulnerable populations within the boundaries of overburdened communities, recipients should refer to the Governor's <u>Uniform</u> approach for identifying overburdened communities and vulnerable populations to direct and <u>track investments under the Healthy Environment for All and Climate Commitment Acts</u> for fiscal years 2024 and 2025 reporting, as well as any future guidance. Recipients can expect to receive additional guidance on the definition of direct and meaningful benefits, including from the Environmental Justice Council, which hopes it will be able to release guidance before the end of 2024.

Informing and Educating Persons Affected by the Rule

Throughout the rulemaking process, Ecology has done the following to inform interested persons:

- Emailed notices to the CCA Bulletin, CCA Funds Reporting, Air Quality (AQ) Rules and SIPs, and the WACTrack email list;
- Sent out public notices and issued a press release;
- Sent out letters to Tribal Governments;
- Posted information on Ecology's Climate Commitment Act Funds Reporting rulemaking website;
- Held six public meetings, three meetings with Tribes, and two public hearings via webinar;
- Sent out memos to directors at other state agencies; and
- Presented at meetings of the State Efficiency and Environmental Performance group through the Department of Commerce.

Ecology maintains two relevant webpages (the <u>Auction Proceeds webpage</u> and the <u>CCA Account Spending & Funds Report webpage</u>) that house many documents and resources. We will continue to update these webpages.

As need arises, additional resources may be developed.

Calculating Emissions Reductions

Ecology will work with recipients to develop and alter methodologies to quantify greenhouse gas emissions reductions.

Training

Ecology held trainings for regulated agencies to cover the reporting process for fiscal year 2024.

- Friday, July 19, 2024 at 9am
- Wednesday, July 31, 2024 at 1:30pm

If deemed necessary, Ecology will hold question and answer sessions for reporting in future fiscal years.

Promoting and Assisting Voluntary Compliance

The actions mentioned above that inform and educate interested parties also help promote voluntary compliance. Several other activities will be useful in promoting voluntary compliance, such as:

- Posting the rule, guidance documents, and implementation plan on Ecology's website.
- Ecology staff will be available to answer questions from regulated agencies.
- Staff responsible for implementing this rule have been involved in the development of the adopted rule. Ecology will hold staff trainings and will use staff meetings, section meetings, and the agency website to train and inform any additional agency staff. These trainings will allow Ecology staff to answer compliance questions as they arise.
- Maintaining a file for comments and suggestions for improving implementation of the rule. These suggestions come from Ecology staff and regulated agencies.

Evaluating the Rule

The effectiveness of the rule will be evaluated based on the following:

- Feedback from interested parties, including regulated entities, Tribes, and the public.
- The rate of voluntary compliance.
- Annual meetings during which Ecology staff discuss successes and challenges during the previous reporting cycle.

Training and Informing Ecology Staff

Staff responsible for implementing this rule have been involved in the development of the adopted rule. Ecology will hold staff trainings and will use staff meetings, section meetings, and the agency website to train and inform any additional agency staff.

List of Supporting Documents that May Need to be Written or Revised

Ecology maintains two webpages (the <u>Auction Proceeds page</u> and the <u>CCA Account Spending & Funds Report webpage</u>) that house resources including timelines for upcoming reporting cycles, guidance spreadsheets, methodologies and calculator tools for calculating emissions reductions, and reports from prior fiscal years. We will continue to update these webpages.

More Information

Chapter 173-446B WAC- Department of Ecology

Relevant sections of the authorizing statute (RCW 70A.65):

- <u>70A.65.030</u>
- <u>70A.65.230</u>
- <u>70A.65.300</u>

FY23-25 Biennial Operating Budget

CCA Funds Reporting Rule Webpage

Auction Proceeds Webpage

CCA Account Spending & Funds Report Webpage

Contact Information

Cristina Steward, Climate Pollution Reduction Program Budget Manager

300 Desmond Dr SE

Lacey, WA 98503

564-669-1723

Cristina.Steward@ecy.wa.gov

Olivia McGoldrick, GHG Emissions Reduction Reporting Specialist

300 Desmond Dr SE

Lacey, WA 98503

564-999-1880

Olivia.McGoldrick@ecy.wa.gov

Harrison Ashby, CCA Financial Reporting Specialist

300 Desmond Dr SE

Lacey, WA 98503

360-485-2771

Harrison.Ashby@ecy.wa.gov