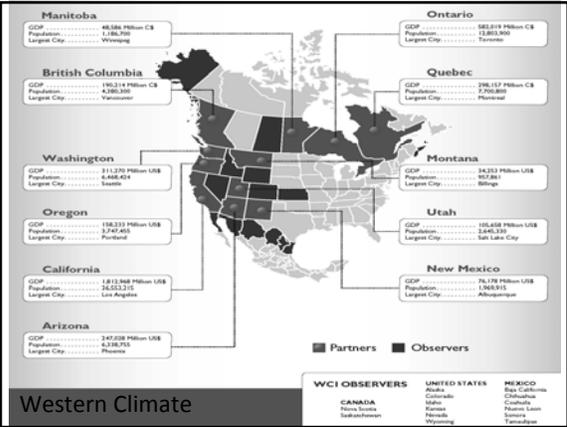
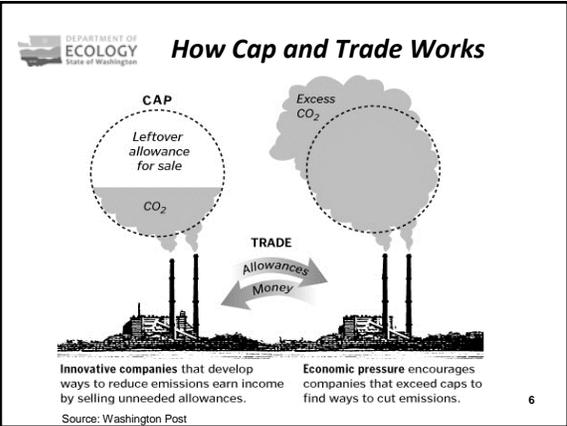


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- Our Plan for Reducing Emissions**
- Cap and trade
 - Mandatory reporting
 - Complementary policies
 - Regulatory standards
 - Voluntary actions
 - Incentive-based policies
 - Public-private technology initiatives
 - Active stakeholder participation
 - Public education



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- Regional Collaboration**
- 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:
- Promote clean and renewable energy in the region
 - Increase energy efficiency
 - Advocate for regional and national climate policies that are in the interest of western states
 - Identify measures to adapt to climate change impacts



WCI Cap and Trade Framework, September 2008

Reductions and Timetables	<ul style="list-style-type: none"> Start in 2012 with full economy coverage in 2015 Reduces emissions 15% below 2005 levels by 2020
Scope	<ul style="list-style-type: none"> Electricity generation (including imports), industrial combustion and process emissions, transportation emissions, RCI fuels
Threshold for coverage	<ul style="list-style-type: none"> 25,000 metric tons CO₂e
Distributing Allowances	<ul style="list-style-type: none"> Allowance distribution left to each partner 10 percent minimum auction
Cost Containment	<ul style="list-style-type: none"> Offsets Unlimited banking (no borrowing) 3 year compliance periods
Reporting	<ul style="list-style-type: none"> Threshold 10,000 Mt CO₂e, reporting 2010 emissions in 2011
Credit for Early Action	<ul style="list-style-type: none"> Early Reduction Allowances (ERAs)

DEPARTMENT OF ECOLOGY State of Washington **Ongoing WCI Design Work**

WCI 2009-2010 Work Plan focuses on:

- Emissions reporting and allowance tracking
- Imported electricity (generated outside WCI)
- Design and operation of the offset system
- Establishing overall regional emission cap, and each Partner's allowance budget
- Market operation and oversight
- Complementary and transition policies
- Expanded economic analyses, including macroeconomic analysis
- Influencing the design of a federal program

DEPARTMENT OF ECOLOGY State of Washington **National Context: Waxman-Markey Bill**

American Clean Energy and Security Act (H.R. 2454)

- Coverage: 85% of U.S. emissions; 7 GHGs
- Cap: 17% below 2005 levels by 2020; 83% below by 2050
- Threshold: 25,000 metric tons annual emissions; EPA may lower to 10,000 metric tons after 2020
- Offsets allowed
- Unlimited banking, 2 year compliance period, Strategic allowance reserve (allowance price trigger)
- Allocation of allowances: Initially 85% free allocation/15% auction
- Holders of allowances issued by WCI before 12/31/11 can exchange them for federal allowances
- Start date 2012; full economy coverage in 2016

DEPARTMENT OF ECOLOGY State of Washington **Waxman-Markey Complementary Policies**

- Efficiency and Renewable Electricity Standard (20% by 2020)
- Investments in renewable energy and energy efficiency, CCS, advanced technology vehicles, and R&D
- Energy efficiency provisions: Building efficiency codes, appliance standards energy efficiency resource standard
- Transportation: Vehicle standards, PHEV planning and incentives, states and MPOs to develop GHG reduction plans
- GHG performance standards for coal-fuel power plants
- Transmission planning, smart grid advancement, green jobs, worker transition, consumer protection, adaptation,

DEPARTMENT OF ECOLOGY State of Washington **Washington Low Carbon Policies**

- Climate action plan
- Clean Energy
 - Renewable Portfolio stds
 - GHG Emissions performance stds for power plants
- Energy efficiency
 - Building codes, green building, appliance stds
- Clean cars and fuel use reduction
 - CA clean car stds, low-carbon fuel standard, electric cars, fuel economy, vehicle miles traveled
- Transportation and land-use planning
 - Lower carbon transportation choices
 - Building compact communities
- Waste management
 - Methane capture, anaerobic digesters, recycling and reuse

DEPARTMENT OF ECOLOGY State of Washington **Key Issues**

- Minimizing energy price impacts and protecting consumers
- Protecting jobs and trade vulnerable industries
- Equitable allowance distribution and use of auction revenue
- Ensuring adequate market oversight and integrity of offsets
- Maximizing co-benefits and promoting complementary policies
- Maintaining state authority and flexibility

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Climate Change Impacts, Preparation, Adaptation

Key Issues of Common Interest:

- Coastal Impacts
- Water Supply & Quality
- Forest Health
- Fish & Wildlife Impacts

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High water warning

A new analysis predicts sea-level rise due to global warming will vary across Washington state.

Coastal Impacts

Sources: University of Washington, Washington Department of Ecology
MARK NOWLIN / THE SEATTLE TIMES

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...additional coastal challenges

- Ocean Acidification, Higher T
- Bluff Landslides/Erosion
- Storm Surge Inundation/Flooding
- Shallow Water Habitat Loss
- Species Shifts
- Loss/Shift of Public Beaches

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Water Supply

Reduction of Snowpack & Proliferation of Permit Exempt Wells

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Forests

Dramatic Increases in Wildfire

% increase in area burned

Year	% increase in area burned
2040s	100.00%
2080s	300.00%

= % area burned

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Salmon

Stream Habitat at Risk

August Mean Surface Air Temperature and Maximum Stream Temperature

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BC-WA MOU on sea level rise

West Coast Governor's Agreement on
Ocean Health

National Academy of Sciences West
Coast Sea Level Rise Study

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- We need to do what is possible now to transform to a clean energy economy
- GHG limits combined with market incentives and regulatory policies will deliver cost-effective emission reductions
- WCI Partner jurisdictions support a national approach for cap-and-trade that is at least as rigorous as WCI's design
- WCI program – cap-and-trade working together with other policies – is serving as national model
- There are many indications that impacts of climate change are underway and vary from place to place
- Localities, regions and states are on the front lines of climate change impacts, and have a responsibility to respond

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“There is a growing urgency in responding to the climate challenge because choices being made now have long-term implications, and delay will be costly. Aggressive near-term actions would be required to alter the future path of human-induced warming and its impacts. Future generations will inherit the legacy of our decisions.”

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- Washington's Website and listserv – www.ecy.wa.gov/climatechange
- WCI Website and listserv – www.westernclimateinitiative.org
- Janice Adair, Washington Department of Ecology
jada461@ecy.wa.gov

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