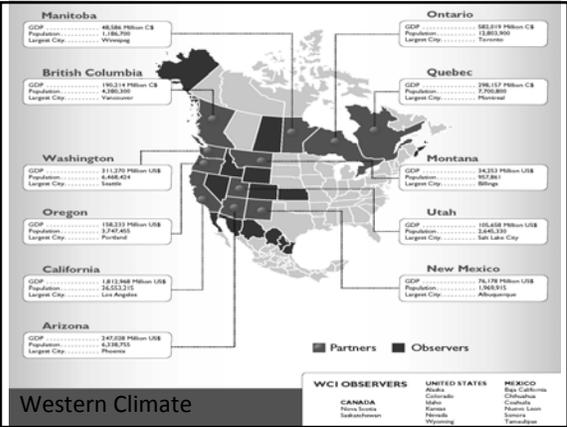
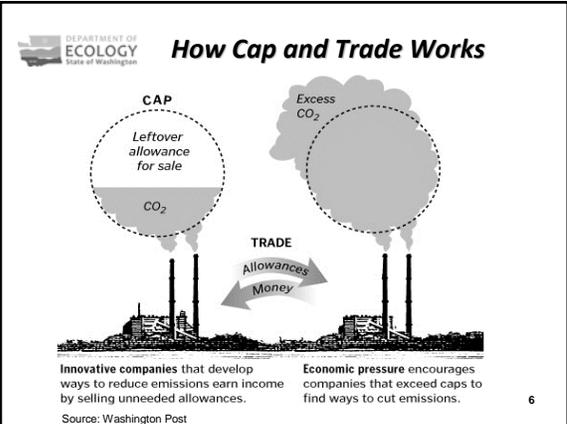


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- Our Plan for Reducing Emissions**
- Cap and trade
  - Mandatory reporting
  - Complementary policies
    - Regulatory standards
    - Voluntary actions
    - Incentive-based policies
    - Public-private technology initiatives
  - Active stakeholder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



<b>WCI Cap and Trade Framework, September 2008</b>	
Reductions and Timetables	<ul style="list-style-type: none"> <li>•Start in 2012 with full economy coverage in 2015</li> <li>•Reduces emissions 15% below 2005 levels by 2020</li> </ul>
Scope	<ul style="list-style-type: none"> <li>•Electricity generation (including imports), industrial combustion and process emissions, transportation emissions, RCI fuels</li> </ul>
Threshold for coverage	<ul style="list-style-type: none"> <li>•25,000 metric tons CO<sub>2</sub>e</li> </ul>
Distributing Allowances	<ul style="list-style-type: none"> <li>•Allowance distribution left to each partner</li> <li>•10 percent minimum auction</li> </ul>
Cost Containment	<ul style="list-style-type: none"> <li>•Offsets</li> <li>•Unlimited banking (no borrowing)</li> <li>•3 year compliance periods</li> </ul>
Reporting	<ul style="list-style-type: none"> <li>•Threshold 10,000 Mt CO<sub>2</sub>e, reporting 2010 emissions in 2011</li> </ul>
Credit for Early Action	<ul style="list-style-type: none"> <li>•Early Reduction Allowances (ERAs)</li> </ul>

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## Ongoing WCI Design Work

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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

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## National Context: Waxman-Markey Bill

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**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

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## Waxman-Markey Complementary Policies

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- 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,

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## Washington Low Carbon Policies

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- 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

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## Key Issues

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- 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

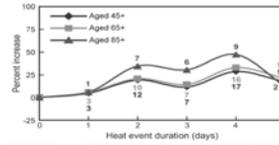
## Climate Change Impacts, Preparation, Adaptation

### Key Issues of Common Interest:

- Public Health
- Coastal Impacts
- Water Supply
- Forest Health
- Salmon



## Public Health Impacts



4 degree increase in temperature = potential 33 additional deaths from heat stress  
Washington State residents are particularly vulnerable to temperature stresses since the majority of homes are not air conditioned

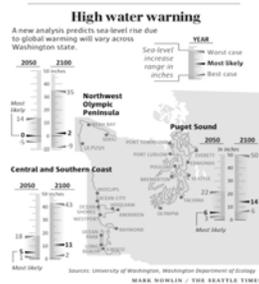
## Sea Level Rise

40 communities along 3085 miles of shoreline, including the most populous

Puget Sound 2050: 6" most likely

Central and Southern Coast 2050: 5" most likely

End of century: 14" along Puget Sound  
11" along Central and Southern Coast



## Additional Coastal Challenges

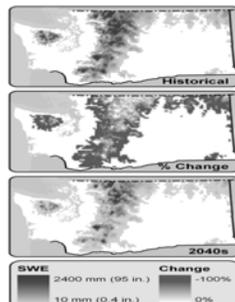
- Ocean Acidification
- Bluff Landslides/Erosion
- Storm Surge Inundation/Flooding
- Shallow Water Habitat Loss
- Species Shifts
- Loss/Shift of Public Beaches

## Snow Pack Decline

16% declined over last 30 years

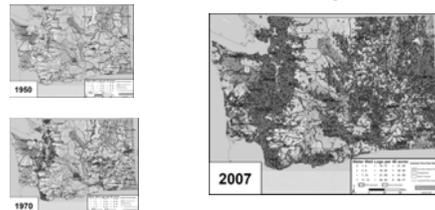
By 2040, projected decline is 40% from 1979-1999 averages

Energy production expected to decline similar amount



## Water Supply

### Proliferation of Permit Exempt Wells

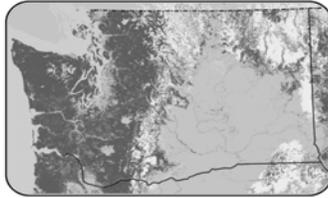


## Forests

By 2020,  
wildfire  
increases  
100%

By 2080,  
increases by  
more than  
300%

Large areas of  
pines species  
loss



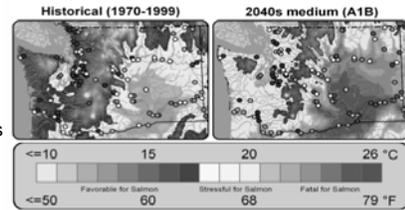
Climatic suitability for pines threatened by mountain pine beetle

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## Salmon

### August Mean Surface Air Temperature and Maximum Stream Temperature

Impact on  
salmon from  
expected  
increases in  
stream  
temperatures  
by 2040



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## State Actions on Preparation, Adaptation

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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*“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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## For more information

- Washington's Website and listserv – [www.ecy.wa.gov/climatechange](http://www.ecy.wa.gov/climatechange)
- WCI Website and listserv – [www.westernclimateinitiative.org](http://www.westernclimateinitiative.org)
- Janice Adair, Washington Department of Ecology  
[jada461@ecy.wa.gov](mailto:jada461@ecy.wa.gov)

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