

Clean Air Rule

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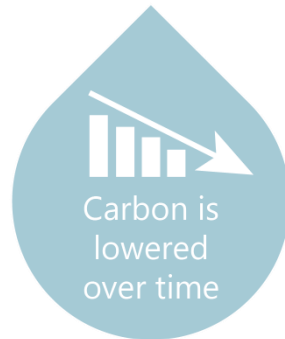
January 13, 2016



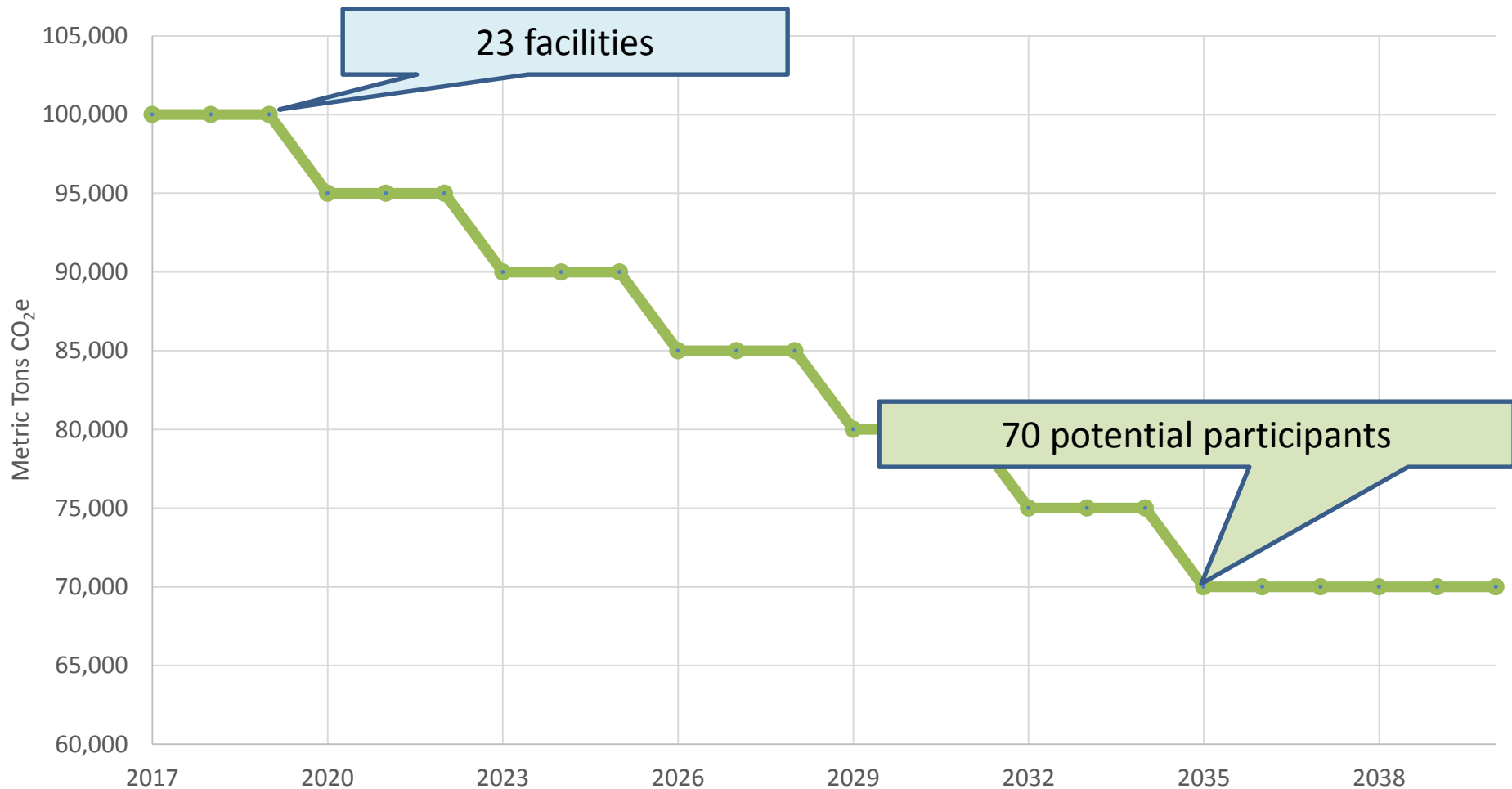
Clean Air Rule Concept

Ecology's Clean Air Rule will set limits on carbon pollution in Washington.

The rule concept looks like this:



Threshold for Coverage



Organizations Affected

Emissions would be capped for:

Stationary
Sources

Petroleum fuel
producers
and importers

Natural Gas
Distributors

Not Included

TransAlta Coal
Power Plant

Agricultural
Practices

Emissions
Associated with
Imported
Electricity

Industrial
Combustion of
Woody Biomass

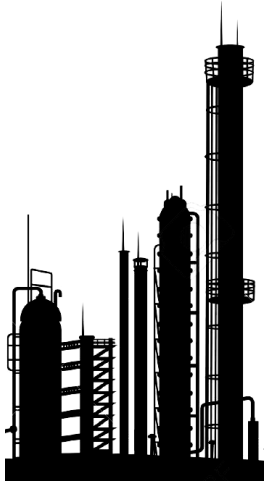
Examples of Stationary Sources

Large
Industrial
Plants

Power Plants

Large Landfills

Petroleum Fuel Producers



WA Refineries

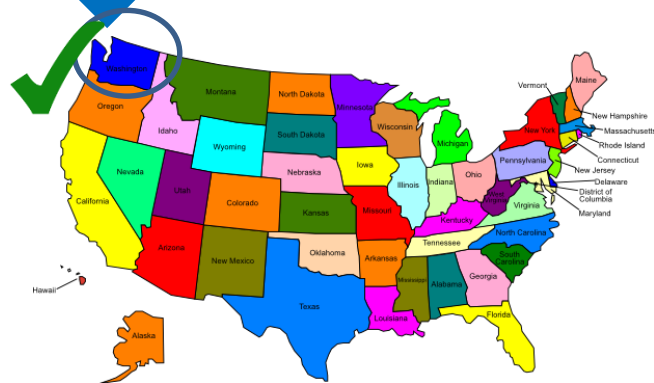
- British Petroleum
- Phillips 66
- Shell
- Tesoro
- U.S. Oil



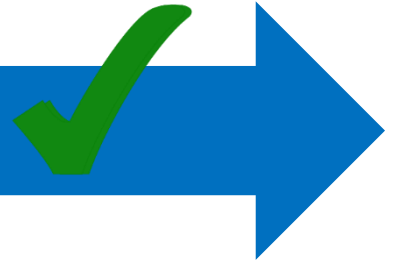
Fuels Made
for Aviation or
Maritime Use



Fuels
Exported
Outside of
Washington

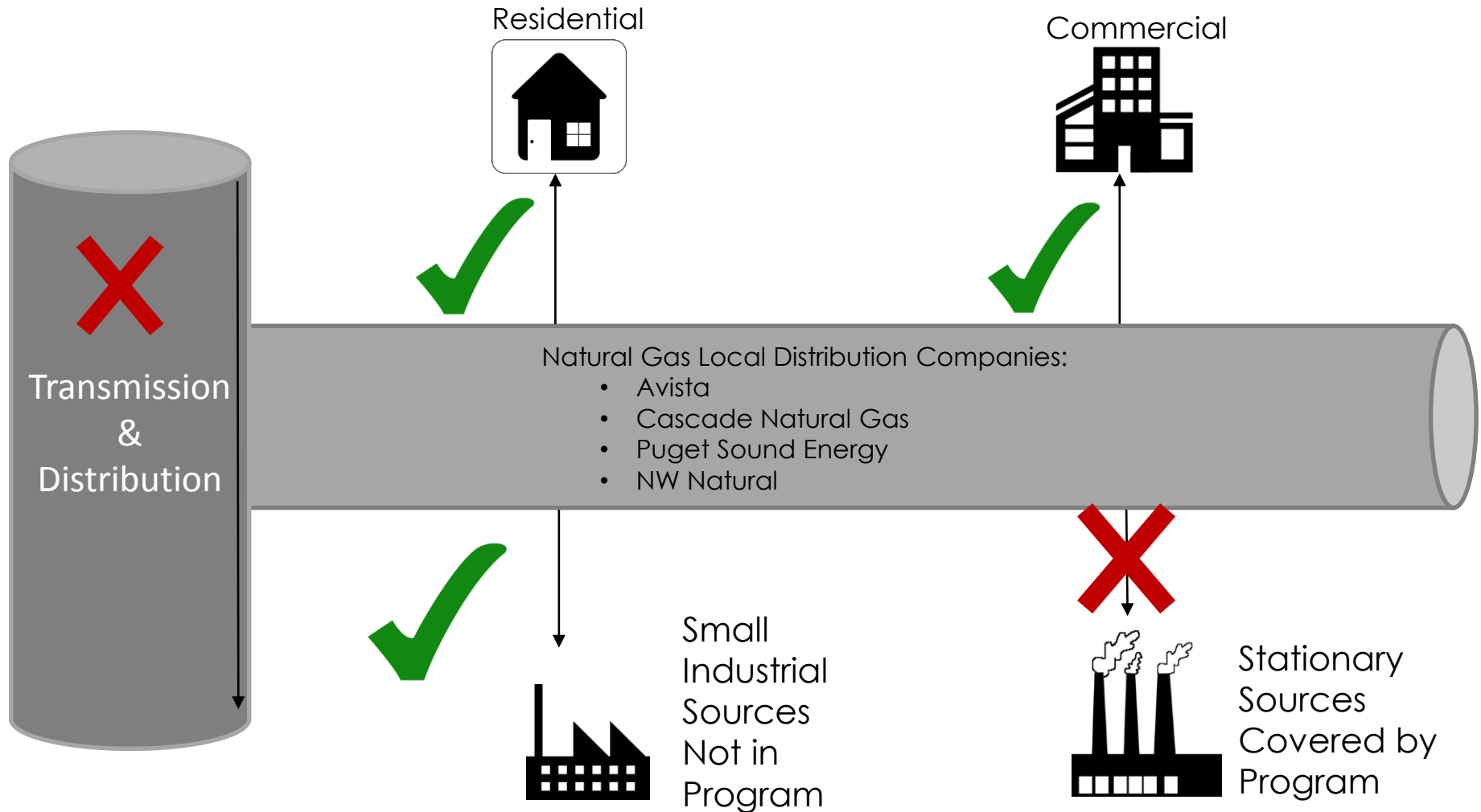


Petroleum Fuels Produced and Used in WA:
(gasoline, diesel, fuel oil, propane, etc.)



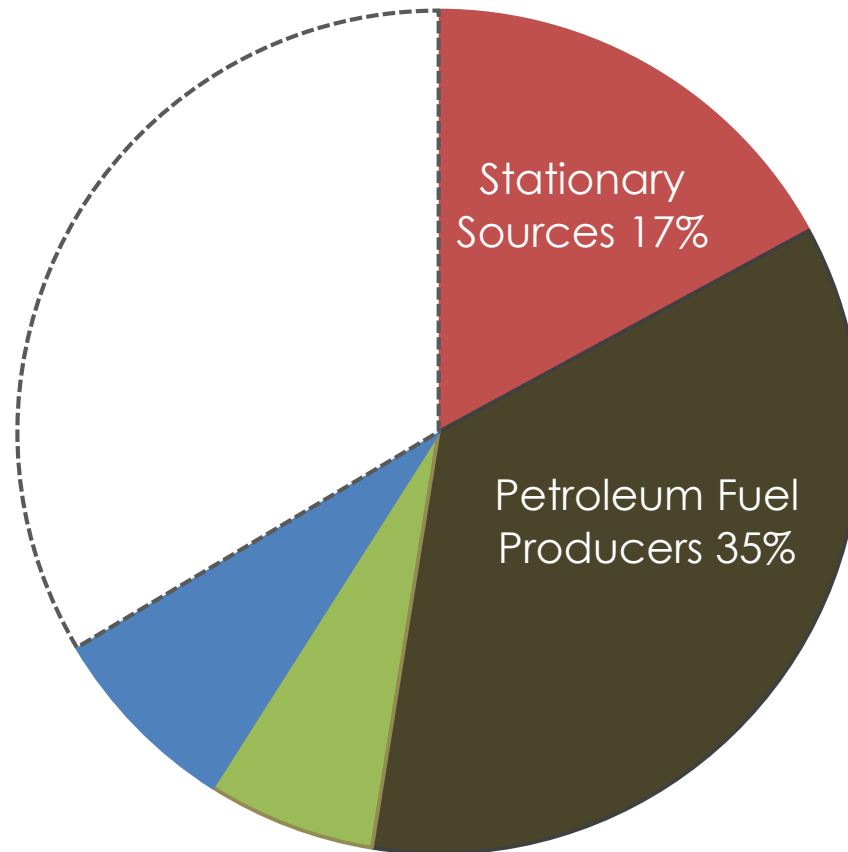
Imported Petroleum
Fuels

Natural Gas Distributors



Coverage by Source Category

About 2/3 of state
GHG emissions are
covered




Natural gas distributors 7%

Petroleum fuel importers 6%

Setting a Cap

Establish a
multi-year
baseline or
starting
point



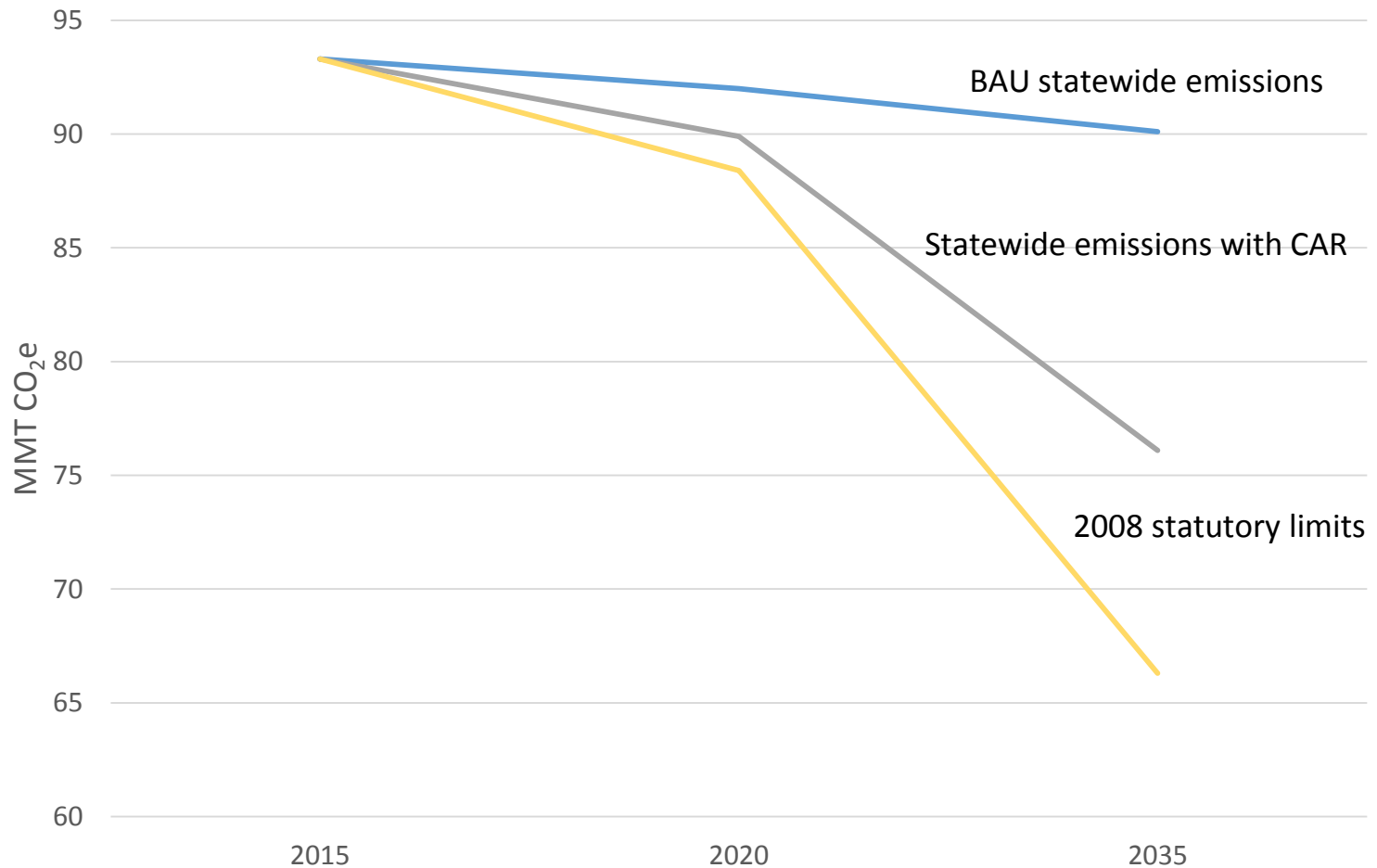
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graph LR; A[Establish a multi-year baseline or starting point] --> B[Set the cap beginning in a future year]; B --> C[Each company or organization would have a cap];
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Set the cap
beginning in
a future
year

Each
company or
organization
would have
a cap

Reduction Curve

CAR Potential Emission Reductions Based on 2008
Reduction Limits



Compliance Options

Reducing
emissions
below cap

Reporters
voluntarily
participating
in program

Projects,
programs, or
emission
reduction
activities

Instruments
from external
carbon
markets
(e.g.,
allowances)

Establishing Credits

Potential
examples
include:

Methane management (e.g., dairy digesters, landfills)

Transportation projects (e.g., commute trip reduction, fleet efficiency)

Energy (e.g., efficiency or renewable energy)

Projects in other sectors or involving other types of sources (e.g., cogeneration, refrigerants)

Credits or allowances verified through existing, established carbon markets.

Timeline

