

**WAC 173-441-085 Third-party verification.** Beginning with the 2023 emissions year reported in 2024, a person that emits 25,000 metric tons CO<sub>2</sub>e or more per calendar year in total GHG emissions as calculated using the methods in WAC 173-441-030 or has a mandatory or voluntary compliance obligation under chapter 70A.65 RCW, as described in chapter 173-446 WAC must have the reporter's annual GHG reports verified by a third party as specified in this section. Third-party verification requirements are in addition to other verification and report correction requirements in this chapter.

**(1) Annual GHG reports must be third-party verified each emissions year that:**

(a) The reporter emits 25,000 metric tons CO<sub>2</sub>e or more per calendar year in total GHG emissions as calculated using the methods in WAC 173-441-030;

(b) The reporter has a mandatory or voluntary compliance obligation under chapter 70A.65 RCW, as described in chapter 173-446 WAC;

(c) Is part of a baseline calculation or otherwise covered under chapter 70A.65 RCW, as described in chapter 173-446 WAC; or

(d) For the first year after no longer meeting the requirements of (a) through (c) of this subsection unless the operations of the reporter are changed such that all applicable GHG emitting processes and operations listed in WAC 173-441-120, 173-441-122, and 173-441-124 permanently cease to operate.

**(2) Information subject to third-party verification.** All GHG emissions and other information reported under this chapter are subject to the requirements of this section. Emissions factors published by ecology based on data previously reported under this chapter that received a positive verification statement would not need to be re-verified; however, any calculations based on that information are subject to the requirements of this section.

**(3) Verification standards.** The third-party verifier must certify that annual GHG reports meet the following conditions:

(a) Annual GHG reports must be consistent with the relevant requirements and methods in this chapter.

(b) The absolute value of any discrepancy, omission, or misreporting, or aggregation of the three, must be less than five percent of total reported emissions (metric tons of CO<sub>2</sub>e) or the verification will result in a material misstatement and an adverse verification statement. This standard also separately applies to any product data in the annual GHG report.

(i) "Discrepancies" means any differences between the reported emissions or product data and the third-party verifier's review of emissions or product data for a data source or product data subject to this chapter.

(ii) "Omissions" means any emissions or product data the third-party verifier concludes must be part of the annual GHG report, but were not included by the reporting entity in the annual GHG report.

(iii) "Misreporting" means duplicate, incomplete or other emissions the third-party verifier concludes should, or should not, be part of the annual GHG report or duplicate or other product data the verifier concludes should not be part of the annual GHG report.

(iv) "Total reported emissions or product data" means the total annual reporter's emissions or total annual reporter's product data for which the third-party verifier is conducting an assessment.

**(4) Verification services.**

(a) Full verification is required at least once every three reporting years for reporters subject to third-party verification under subsection (1)(b) through (d) of this section. The first year of third-party verification for a reporter subject to third-party verification under subsection (1)(b) through (d) of this section must be full verification. A person required to conduct third-party verification under subsection (1)(b) through (d) of this section may choose to obtain less intensive verification services for the remaining two years in the three-year period as long as:

(i) No year in the three-year period has an adverse verification statement;

(ii) The third-party verifier can provide findings with a reasonable level of assurance;

(iii) There has not been a change in the third-party verifier;

(iv) There has not been a change in operational control of the reporter; and

(v) There has not been a significant change in sources or emissions. A difference in emissions of greater than 25 percent relative to the preceding year's emissions is considered significant unless that change can be directly shown to result from a verifiable change in product data.

(b) Full verification. A full verification report must be in a format specified by ecology and contain:

(i) Documentation identifying the reporter reporting emissions and the scope of emissions verified in the report.

(ii) Documentation identifying the third-party verifier, including all relevant information about the third-party verifier in subsection (7)(a) of this section and the names, roles, and sector specific qualifications (if any) of all individuals working on the verification report.

(iii) Documentation demonstrating and certifying that the requirements of subsection (7)(b) and (c) of this section have been met.

(iv) A verification plan that details the data and methodologies used to verify the annual GHG report and schedule describing when the verification services occurred. This must include a sampling plan that describes how the third-party verifier prioritized which emissions to verify and a summary of the data checks used to determine the reliability of the annual GHG report. Full verification requires a more complete sampling of data and additional data checks than less intensive verification. At a minimum, data checks for a full verification must include the following:

(A) Tracing data in the emissions data report to its origin;

(B) Reviewing the process for data compilation and collection;

(C) Recalculating emission estimates to check original calculations;

(D) Reviewing calculation methodologies used by the reporter for conformance with this chapter; and

(E) Reviewing meter and fuel analytical instrumentation measurement accuracy and calibration for consistency with the requirements of this chapter.

(v) Documentation of the third-party verifier's review of reporter operations to identify applicable GHG emissions sources and product data. Any applicable GHG emissions sources or product data not included in the annual GHG report must be identified. The third-party verifier must also ensure that the reported current NAICS code(s) accurately represents the activities on-site.

(vi) Documentation of any corrections made to the annual GHG report.

(vii) Documentation supporting the third-party verifiers' findings evaluating if the annual GHG report is compliant with the requirements in subsection (3) of this section. This must include a log of any issues (if any) identified in the course of verification, their potential impact on the quality of the annual GHG report, and their resolution.

(viii) The individuals conducting the third-party verification must certify that the verification report is true, accurate, and complete to the best of their knowledge and belief.

(ix) Information about the required on-site visit, including date(s) and a description of the verification services conducted on-site. At least one accredited verifier in the verification team, including the sector specific verifier, if applicable, must at a minimum make one site visit, during each year full verification is required. The third-party verifier must visit the headquarters or other location of central data management when the reporter is a supplier or electric power entity. During the site visit, the third-party verifier must:

(A) Confirm that all applicable emissions are included in the annual GHG report.

(B) Check that all sources specified in the annual GHG report are identified appropriately.

(C) Review and understand the data management systems used by the owners or operators to track, quantify, and report GHG emissions and, when applicable, product data and fuel transactions. The third-party verifier must evaluate the uncertainty and effectiveness of these systems.

(D) Interview key personnel.

(E) Make direct observations of equipment for data sources and equipment supplying data for sources determined to be high risk.

(F) Assess conformance with measurement accuracy, data capture, and missing data substitution requirements.

(G) Review financial transactions to confirm fuel, feedstock, and product data, and confirming the complete and accurate reporting of required data such as reporter fuel suppliers, fuel quantities delivered, and if fuel was received directly from an interstate pipeline.

(c) Less intensive verification. A less intensive verification report must be in a format specified by ecology and meet the requirements of subsection (4)(b)(i) through (viii) of this section. Less intensive verification of an annual GHG report allows for less detailed data checks and document reviews of the annual GHG report based on the analysis and risk assessment in the most current sampling plan developed as part of the most current full verification. Persons subject to third-party verification under subsection (1)(a) through (d) of this section must, at a minimum, conduct less intensive verification for any year full verification is not conducted.

(5) **Annual GHG report corrections.** Owners or operators subject to this section must correct errors in their annual GHG report.

(a) Corrections are required if errors are identified by:

(i) The third-party verifier;

(ii) The owner or operator;

(iii) Ecology; or

(iv) EPA.

(b) The owner or operator must fix all correctable errors that affect emissions or product data in the submitted emissions data re-

port, and submit a revised emissions data report to ecology. Failure to do so will result in an adverse verification statement.

(c) Failure to fix correctable errors that do not affect emissions or product data represents a nonconformance with this chapter but does not, absent other errors, result in an adverse verification statement.

(d) Any corrections to the annual GHG report identified during the verification process must be submitted to ecology no later than 45 calendar days after discovery of the error or the verification report deadline in subsection (6)(a) of this section, whichever is sooner. Any corrections to the annual GHG report or verification report discovered after the verification report deadline in subsection (6)(a) of this section must be submitted to ecology no later than 45 calendar days after discovery of the error.

(e) The owner or operator must maintain documentation to support any revisions made to the initial emissions data report. Documentation for all emissions data report submittals must be retained by the reporting entity for 10 years.

**(6) Report.**

(a) The third-party verifier must submit a complete verification report to ecology for each year as required under subsection (1) of this section no later than August 10th for GHG emissions occurring in the previous calendar year.

(b) The third-party verifier must include a certification of one of the following verification statements based on the verification standards in subsection (3) of this section.

(i) A positive verification statement may be issued by a third-party verifier if the third-party verifier can say with high confidence that the submitted GHG data report is free of material misstatement and that the GHG data report conforms to the requirements of this chapter.

(ii) A qualified positive verification statement must be issued by a third-party verifier if the third-party verifier can say with high confidence that the submitted GHG data report is free of material misstatement and contains no errors that affect emissions or product data, but the GHG data report may include one or more other nonconformance(s) with the requirements of this chapter which do not result in a material misstatement.

(iii) An adverse verification statement must be issued by a third-party verifier if the third-party verifier cannot say with high confidence that the submitted GHG data report is free of material misstatement, or that the emissions or product data submitted in the GHG data report is free of errors that affect emissions or product data and thus is not in conformance with the requirements to fix such errors.

(c) Records must be retained following the requirements of WAC 173-441-050(6).

**(7) Eligible third-party verifiers.**

(a) Owners or operators subject to this section must have their annual GHG report verified by a third-party verifier certified by ecology. Certification requires:

(i) Registering as a third-party verifier with ecology. Registration is required for both the verification organization and all individuals performing verification services for the verification organization.

(ii) Demonstrating to ecology's satisfaction that the third-party verifier has sufficient knowledge of the relevant methods and proto-

cols in this chapter. Certification may be limited to certain types or sources of emissions.

(iii) Active accreditation or recognition as a third-party verifier under

California ARB's Mandatory Reporting of Greenhouse Gas Emissions program.

(iv) Ecology may modify, suspend, or revoke certification of a third-party verifier based on the accuracy of their signed verification statements, conformance with conflict of interest provisions, or other requirements of this section.

(b) An owner or operator must not use the same third-party verifier (either organization or individuals) for a period of more than six consecutive years. The owner or operator must wait at least three years before using the previous third-party verifier to verify their annual GHG reports.

(c) An owner or operator and third-party verifier must certify that there is not a conflict of interest in verifying the annual GHG report. The potential for a conflict of interest must be deemed to be high where:

(i) The third-party verifier and reporter share any management staff or board of directors membership, or any of the senior management staff of the reporter have been employed by the third-party verifier, or vice versa, within the previous five years; or

(ii) Any employee of the third-party verifier, or any employee of a related entity, or a subcontractor who is a member of the verification team has provided to the reporter any services within the previous five years, unless the service was part of GHG verification for another jurisdiction. Any years of previous service in the other jurisdiction count towards the limit in (b) of this subsection.

(iii) Any staff member of the third-party verifier provides any type of incentive to a reporter to secure a verification services contract.

(8) **Ecology verification.** Ecology retains full authority in determining if an annual GHG report contains a discrepancy, omission, or misreporting, or any aggregation of the three, that impacts the verification status of the annual GHG report. Ecology may issue an adverse verification statement for an annual GHG report even if the annual GHG report has received a positive verification statement from the third-party verifier. Ecology may also issue an adverse verification statement for:

(a) Failure to submit a complete annual GHG report in a timely manner;

(b) Failure to complete third-party verification if required by this subsection; or

(c) Other forms of noncompliance with this chapter.

[Statutory Authority: RCW 70A.15.2200. WSR 22-05-050 (Order 21-07), § 173-441-085, filed 2/9/22, effective 3/12/22. Statutory Authority: Chapters 70.94, 70.235 RCW. WSR 16-19-047 (Order 15-10), § 173-441-085, filed 9/15/16, effective 10/16/16.]