

# Environmental Justice Council

**Date:** 07/25/23

**To:** Environmental Justice Council

**From:** Jonathan Chen, Climate Justice Advisor

**Subject:** Information about linking Washington’s carbon market with similar carbon markets in other jurisdictions

## Table of Contents

Table of Contents.....	1
Summary .....	2
Background Information on the Climate Commitment Act.....	2
Linkage in Statute.....	2
Information About Linkage from Ecology .....	2
Ecology’s Linkage Project Timeline .....	3
Third-party Analysis .....	5
Danny Cullenward.....	6
Dr. Leah Stokes and Dr. Matto Miltenberger.....	6
Discussion.....	7
Recommended Action.....	7
Staff Contact .....	7

[Go to top](#)

To request this document in an alternate format or a different language, please contact Sierra Rotakhina in any language, at [envjustice@ejc.wa.gov](mailto:envjustice@ejc.wa.gov) or 360-584-4398. TTY users can dial 711.

## Summary

The document '2023.02.27.06a\_Memo -Linkage of the CCA' included in the July 27<sup>th</sup> EJC Meeting Packet provided background information about linkage. This is an update to that document and contains new information about Ecology's linkage project timeline.

## Background Information on the Climate Commitment Act

The Climate Commitment Act (CCA) is a policy designed to reduce [greenhouse gas \(GHG\) emissions](#) from Washington's largest emitting sources and industries. The CCA created a cap-and-invest program that set a limit and a price on carbon emissions. This type of emissions-reduction system is also sometimes known as a carbon market. The CCA also directed the Department of Ecology (Ecology) to explore linking Washington's carbon market to similar programs (linkage).

Ecology produced these video tutorials to explain different elements of the program:

[Basics of Cap and Invest Video Presentation](#)

[Basics of Cap and Invest Presentation Slides](#)

[The Mechanics of Allowance Auctions Video Presentation](#)

[The Mechanics of Allowance Auctions Presentation Slides](#)

## Linkage in Statute

[California](#) (CA) and [Québec, Canada](#) (QC) have similar carbon markets to the CCA. Ecology is currently exploring whether to link the CCA with these other jurisdictions as described in [RCW 70A.65.060\(3\)](#) and [RCW 70A.65.210](#).

## Information About Linkage from Ecology

- Ecology's webpage about [Cap-and-Invest Linkage](#)

[Go to top](#)

To request this document in an alternate format or a different language, please contact Sierra Rotakhina in any language, at [envjustice@ejc.wa.gov](mailto:envjustice@ejc.wa.gov) or 360-584-4398. TTY users can dial 711.

- Stephanie Potts (she/her), is Ecology's Senior Environmental Planner for the Cap-and-Invest Program and Linkage. She created two videos that explains linkage for the members of the Environmental Justice Council (EJC).
- Here is a [5-minute presentation](#) that summarizes linkage and its accompanying [presentation slides](#).
- For more details about the linkage criteria you can watch this [15-minute overview](#).
- Stephanie is available to meet one-on-one with any Councilmember to answer questions about linkage. Councilmembers can reach out to her directly at (425) 466-5358 or [step461@ecy.wa.gov](mailto:step461@ecy.wa.gov)
- Ecology wrote a letter in response to Environmental Justice Council's motion adopted on June 22, 2023 concerning linkage and an environmental justice assessment. You can find the Council's motion on page x of the meeting packet and Ecology's response letter on page x.

## Ecology's Linkage Project Timeline

### May 2023 through October 2023 decision whether to pursue linkage

**May 15:** Public comment period closes

End of "exploratory phase" public comment period.

**Mid to late-May:** Determine timing for EJ Assessment

The Ecology Office of Equity and Environmental Justice shared a working draft of the EJ Assessment SEPA-like Checklist with Ecology staff working on linkage, which enabled staff to determine the timing for completing the Environmental Justice Assessment.

**June:** Share public engagement summary with Environmental Justice Council

Ecology sent the Environmental Justice Council (EJC) a summary of linkage exploratory phase (spring 2023) engagement, including: list of individuals and organizations that Ecology contacted; list of individuals and organizations that engaged by attending listening sessions,

[Go to top](#)

To request this document in an alternate format or a different language, please contact Sierra Rotakhina in any language, at [envjustice@ejc.wa.gov](mailto:envjustice@ejc.wa.gov) or 360-584-4398. TTY users can dial 711.

meeting with Ecology, or submitting comments by email, mail, phone, or online survey; and compilation of all comments received on linkage.

**July to mid- August:** Share draft criteria analysis with Environmental Justice Council  
Ecology sends EJC summary of public comments received and initial draft of analysis of linkage criteria.

**September:** Publish linkage criteria analysis

Date TBD. Ecology will issue a report covering preliminary analysis of the linkage criteria and a summary of public comments.

**October:** Decision to pursue linkage

Ecology will announce the preliminary decision whether to pursue Linkage. (In response to a request from the Council’s Climate Commitment Act Committee, Director Watson agreed to delay her decision until October.)

### **If Ecology decides to pursue linkage: Steps before approving a linkage agreement**

Initiate rulemaking – Q4 2023 or later

- Ecology may need to make changes to cap-and-invest program regulations.
- After initiating the rulemaking process, Ecology will present proposed rule changes to the EJC. Rulemaking is expected to take approximately a year and includes a public comment process.

Initiate linkage agreement negotiations – Q4 2023 or later

- Early in the linkage agreement negotiation process, Ecology will ask the EJC for input on the draft linkage agreement, based on the language in the [existing](#)

[Go to top](#)

To request this document in an alternate format or a different language, please contact Sierra Rotakhina in any language, at [envjustice@ejc.wa.gov](mailto:envjustice@ejc.wa.gov) or 360-584-4398. TTY users can dial 711.

### [agreement between California and Québec.](#)

- Ecology anticipates that negotiating a linkage agreement with California and Québec will take approximately a year.
- Before approving a linkage agreement, Ecology will ask for input on the draft linkage agreement from Tribal governments and the EJC and also hold a public hearing.

### Environmental Justice Assessment – 2024 or later

- The CCA requires Ecology to complete an Environmental Justice Assessment before the agency can “enter into a linkage agreement with another jurisdiction” (RCW 70A.65.060(3)). Ecology is currently developing internal guidance to aid staff in conducting EJ assessments starting July 1, 2023, as required by the Healthy Environment for All (HEAL) Act.
- While Ecology has not started a formal EJ Assessment process, they will evaluate potential impacts on communities prior to making a decision on pursuing linkage. They have been collecting information and requested public input on potential negative effects of linkage on communities in order to evaluate the linkage criteria in RCW 70A.65.210(3)(c): “A linkage agreement approved by the department must...be determined by the department to not yield net adverse impacts to either jurisdictions' highly impacted communities or analogous communities in the aggregate, relative to the baseline level of emissions.”

### Third-party Analysis

The CCA Committee welcomes input and feedback about linkage from different perspectives in the community. In addition to requesting information and analysis from Ecology, the CCA

[Go to top](#)

To request this document in an alternate format or a different language, please contact Sierra Rotakhina in any language, at [envjustice@ejc.wa.gov](mailto:envjustice@ejc.wa.gov) or 360-584-4398. TTY users can dial 711.

Committee has also received information from climate policy experts Danny Cullenward, Dr. Leah Stokes, and Dr. Matto Mildenerger. For reference, here are their biographies:

### [Danny Cullenward](#)

Danny Cullenward is a lawyer and climate economist working on the design and implementation of scientifically grounded climate policy. He is the Policy Director at [CarbonPlan](#) and a Research Fellow at American University's [Institute for Carbon Removal Law & Policy](#). Dr. Cullenward previously held research appointments at UC Berkeley, the Carnegie Institution for Science, and Stanford Law School, where he taught courses on energy and climate law. His book, *Making Climate Policy Work* (with David G. Victor), critiques the political economy of carbon markets.

### [Dr. Leah Stokes and Dr. Matto Mildenerger](#)

Dr. Leah Stokes is a policy expert with nearly two decades of experience working on climate and energy, including championing a federal Clean Electricity Standard. She has four degrees, including her doctorate from MIT, and was recently recognized on the 2022 TIME100 Next and Business Insider Climate Action 30 lists. Leah is conversant in a wide variety of climate and energy topics, including public policy, political science, planning, and psychology. Her recent award-winning book *Short Circuiting Policy* examines why we are behind on climate action, telling the history of fossil fuel companies and electric utilities promoting climate denial and delay. She is the Anton Vonk Associate Professor of Environmental Politics at the University of California, Santa Barbara, the co-host of the popular climate podcast "A Matter of Degrees," and a senior policy consultant at Rewiring America. Her academic work is published in top journals and is widely read and cited. Find her [@leahstokes](#).

Dr. Matto Mildenerger is an associate professor of political science at the University of California Santa Barbara, where he directs [The 2035 Initiative](#) and co-runs the [Energy and Environment Transitions \(ENVENT\) Lab](#). His research explores the politics of climate change in

[Go to top](#)

To request this document in an alternate format or a different language, please contact Sierra Rotakhina in any language, at [envjustice@ejc.wa.gov](mailto:envjustice@ejc.wa.gov) or 360-584-4398. TTY users can dial 711.

the United States and around the world — including the real-world effects of carbon pricing programs. His work has been published in the “American Political Science Review”, “British Journal of Political Science”, “Nature Climate Change”, “Political Science Research Methods”, “Nature Energy” and elsewhere. Mildenberger's second book, Carbon Captured, examines policymaking trajectories in several countries and offers a new theory to explain cross-national differences in climate reform timing and content.

## Discussion

During today’s meeting, Stephanie Potts, Ecology’s Senior Environmental Planner for Cap-and-Invest Program and Linkage, will brief the EJ Council on Ecology’s draft analysis of the potential impacts of linkage on overburdened communities and vulnerable populations, followed by a discussion. Councilmembers are highly encouraged to watch the video presentations linked in this memo to fully engage on this topic.

## Recommended Action

Staff have no recommended action.

## Staff Contact

Jonathan Chen, Climate Justice Advisor, [jonathan.chen@ejc.wa.gov](mailto:jonathan.chen@ejc.wa.gov), 564.669.3837

[Go to top](#)

To request this document in an alternate format or a different language, please contact Sierra Rotakhina in any language, at [envjustice@ejc.wa.gov](mailto:envjustice@ejc.wa.gov) or 360-584-4398. TTY users can dial 711.