Director Laura Watson Washington State Department of Ecology PO Box 47600 Olympia, WA 98501-7600

October 26, 2023

Dear Director Watson,

<u>RCW 70A.02.110</u> gives the Environmental Justice Council (Council) the responsibility to incorporate and uphold environmental justice, as defined in RCW <u>70A.02.010</u>, in state government. RCW <u>70A.65.040</u> gives the Council the responsibility to provide recommendations to the Legislature, agencies, and the Governor in the development and implementation of the program established in RCW 70A.65.060 through 70A.65.210, including linkage with other jurisdictions.

When fulfilling such responsibilities, the Council utilizes the Precautionary Principle, a key approach to environmental justice that emphasizes caution, pausing, and careful review before leaping into new innovations that may prove harmful (Morello-Frosch, et al., 2002; Read and O'Riordan, 2017).

The Precautionary Principle shifts the responsibility for assuring safety of a proposed action or innovation to the proponent of the action and not on those who might be impacted by the action and oppose it. The information Ecology has provided to the Committee leaves a great deal of uncertainty whether linking Washington's carbon market with California and Quebec, Canada will have a negative impact on overburdened communities and vulnerable populations (as defined in RCW 70A.02.010) and whether linking would diminish the ultimate success of Washington's greenhouse gas reduction and air quality programs. While Ecology has articulated a number of strategies and tools to mitigate potential harms, Council confidence in their efficacy and the ability of Ecology to identify and act expeditiously is low. Furthermore, the potential benefits to impacted communities are based on models and projections that are speculative and uncertain. Ecology has not met a precautionary principal standard because it

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has not been able to guarantee linkage will not harm overburdened communities or analogous communities in the aggregate. As such, the Council recommends that Ecology not link Washington's carbon market with California and Quebec at this time based on these concerns to date:

- A linked market may have an overall negative effect on overburdened communities or analogous communities in any jurisdiction relative to the baseline level of greenhouse gas (GHG) emissions.
- 2. A linked market may not provide overall economic benefits and improved health outcomes to vulnerable populations and overburdened communities in Washington.
- A linked market may negatively impact Washington's ability to meet the GHG emissions reduction commitments set in state law or negatively impact air quality in overburdened communities.
- 4. A decrease in allowance price may disincentivize covered entities in Washington from significantly reducing their GHG emissions or prevent sufficiently funding critical investments in decarbonization and in overburdened communities through the Climate Commitment Act.
- 5. Unused allowances from covered entities that exist in both Washington and another linking jurisdiction may result in an increase of GHG emissions in Washington.
- 6. There has been no study or consideration of protocols, other than linkage, to mitigate the impacts of increased energy prices on low-income consumers.
- 7. The ability for Washington's air quality program to reduce criteria pollutants in overburdened communities may be negatively impacted through linkage.

To address the concerns we have identified, the Council recommends Ecology provide precautionary protections to overburdened communities and vulnerable populations in addition to providing assurances that such protections will be upheld when entering Linkage negotiations. Examples of precautionary protections include ideas such as:

- 1. <u>Facility specific caps</u> (to address Concerns #1, #2, #7).
- 2. Prohibiting the use of unused allowances issued prior to Washington linking to California and Quebec (to address Concerns #3, #4, #5).
- 3. Limiting the use of offsets (to address Concerns #3, #4, #5).
- 4. The establishment of expiry dates for stored allowances (to address Concerns #3, #4, #5).

The Climate Commitment Act was designed to directly address concerns found in programs in California, Quebec, and other jurisdictions with similar programs. If Ecology decides, against our recommendation, to further pursue linkage without the needed assurances, it should only do so by adhering to the goals and standards in Washington's program, agreeing only to conditions that maintain or strengthen critical components of our own program.

Further, should any legislation to facilitate linkage be needed, consistent with RCW 70A.02.060, the legislation must undergo an environmental justice assessment, requiring Ecology to work cooperatively and iteratively with the Council and any relevant committee.

The Council welcomes and expects collaboration and continuing dialogue to ensure environmental justice is a priority when considering linkage. We are committed to continuing dialogue with Ecology and further exploring incentives to reducing greenhouse gas emissions.

## Respectfully,

## **Environmental Justice Council**

CC: Heather Bartlett, Joel Creswell, Luke Martland, Andrew Hayes, Stephanie Potts, Kathy Taylor, Claire Boyte-White, Becky Kelly, Carrie Sessions, Sierra Rotakhina, Jonathan Chen, Rowena Pineda, Christy Hoff, Angie Ellis, Sauncha Romey, Amina Al-Tarouti

Rupert Read & Tim O'Riordan (2017) The Precautionary Principle Under Fire. Environment: Science and Policy for Sustainable Development. 59:5, 4-15, DOI: 10.1080/00139157.2017.1350005

Morello-Frosch, R., Pastor, M., & Sadd, J. (2002). Integrating Environmental Justice and the Precautionary Principle in Research and Policy Making: The Case of Ambient Air Toxics Exposures and Health Risks among Schoolchildren in Los Angeles. The Annals of the American Academy of Political and Social Science, 584, 47–68. <u>http://www.jstor.org/stable/1049766</u>