



DEPARTMENT OF  
**ECOLOGY**  
State of Washington

# Climate Commitment Act – Environmental Justice

Air Quality and Climate Pollution Reduction Programs

January 29, 2026

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# Climate Commitment Act

- The Climate Commitment Act (CCA) prioritizes environmental justice and equity in a number of ways
- Ongoing projects with potential environmental justice impacts:
  - Rulemaking to address air quality in overburdened communities highly impacted by air pollution
  - Report on allocation of allowances to emissions-intensive, trade-exposed industries from 2035-2050
  - Linkage of the program with California and Québec

# Air Quality in Overburdened Communities

- Focused on industrial emissions of criteria air pollutants
  - particulate matter, ozone, nitrogen dioxide, sulfur dioxide, lead, carbon monoxide
- Setting forth a process for identifying a high priority list of significant emitters

# Emissions-intensive, trade-exposed industries

- Ecology report to Legislature on EITE allowance allocation for 2035-2050 (submitted on January 10, 2026)
- Current and future EITE allowance allocation policies may impact the pace of greenhouse gas emission reduction by these industrial facilities
- May indirectly impact co-pollutants emitted by these facilities, like nitrogen dioxide and sulfur dioxide

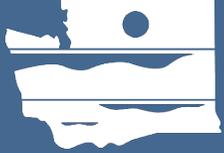
# Cap-and-Invest Linkage

- Ecology Director's decision whether to link with California and Québec expected this year
- Environmental Justice Council shared concerns that linkage could result in more greenhouse gas emissions and air pollution
- Analyzing impact of linking carbon markets – criteria in CCA and Environmental Justice Assessment
- New analysis of facility-specific greenhouse gas emissions caps proposal

# Continual assessment

- Just starting to get data
- Will be continually reviewing and analyzing for program effectiveness

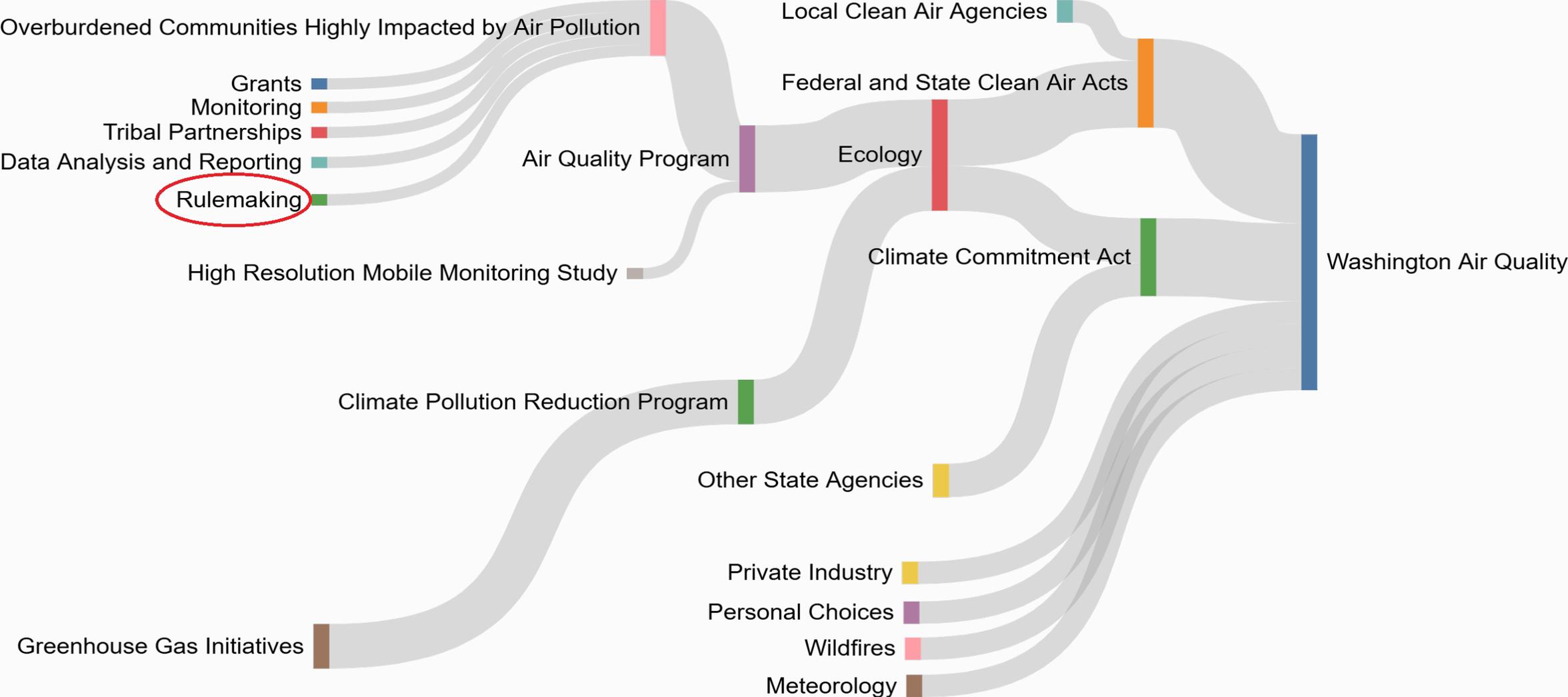




# Air Quality in Overburdened Communities

Martha Hankins – Air Quality Program Policy & Planning  
Section Manager

# Rulemaking is one part of improving air quality



# Reducing criteria pollutants toward improving health

## Public workshops discussed

- Determining sources of air pollution
- Setting air quality targets
- Strategies for reducing emissions

## The preliminary draft specifies

- 3 years of monitoring data to establish targets
- When a community is not meeting targets
  - High priority emitters are identified and notified; optional Ecology-approved voluntary reduction plan
- Starting 2030, if no improvement in air quality, Ecology issues orders to high priority emitters who have not sufficiently reduced their emissions
- Progress reported every 2 years; targets reevaluated every 6 years

# We continue listening

## We are asking for feedback

- Methodology for determining if a target is met
- Identifying greatest contributors
- Threshold for identifying high priority emitters
- Reduction requirements for high priority emitters
- Criteria for evaluating approvable mitigation projects

## We are hearing

- Why focus on stationary sources
- Importance of addressing greatest contributors



Community meeting on air quality  
Vancouver, WA, April 2025

# Timeline & next steps

**Rulemaking  
Announcement**  
Oct 10, 2024

**Workshop 2  
Pollutants and  
Emission Sources**  
Mar 6, 2025

**Workshop 4  
Emissions  
Reduction**  
Jul 23, 2025

**Preliminary draft**  
Nov 14, 2025

**Public Meeting  
En Espanol**  
Feb 3, 2026

**Preliminary draft comment period**  
Nov 14, 2025 - Feb 15, 2026

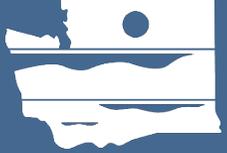


**Workshop 1  
Intro & Background**  
Dec 12, 2024

**Workshop 3  
Air Quality Targets**  
May 21, 2025

**Public Meeting  
Draft Rule Review**  
Dec 10, 2025

- Next steps (tentative)**
- Review comments
  - Rework draft based on input
  - Public meetings Spring 2026
  - Proposal Fall 2026



# Emissions-intensive, trade-exposed industries

Adrian Young – Cap-and-Invest Industrial Policy Lead

## Emissions-intensive

Manufacturing facilities with high energy needs and high greenhouse gas emissions (and co-pollutants)

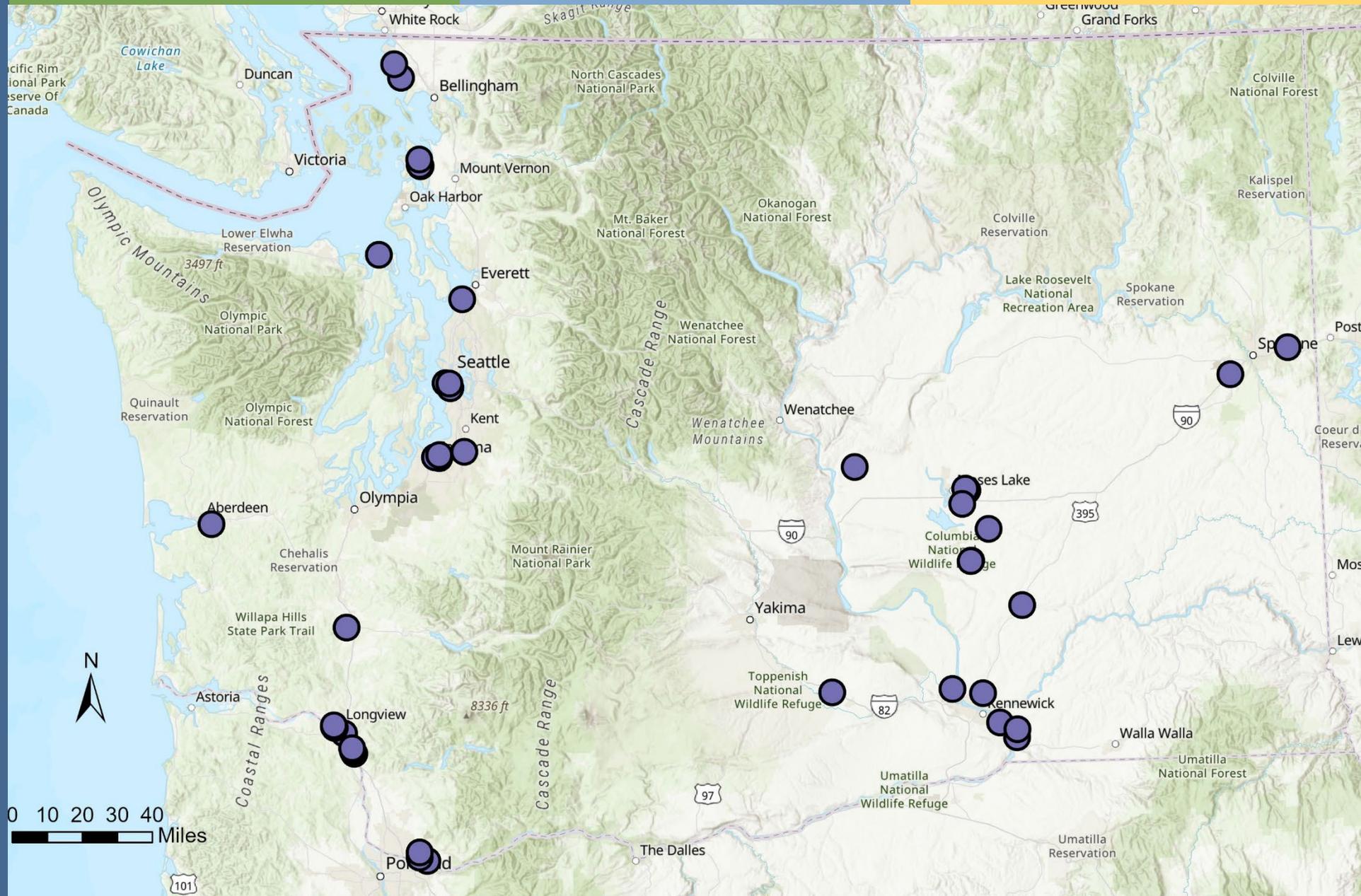
## Trade-exposed

Face significant competition for their products



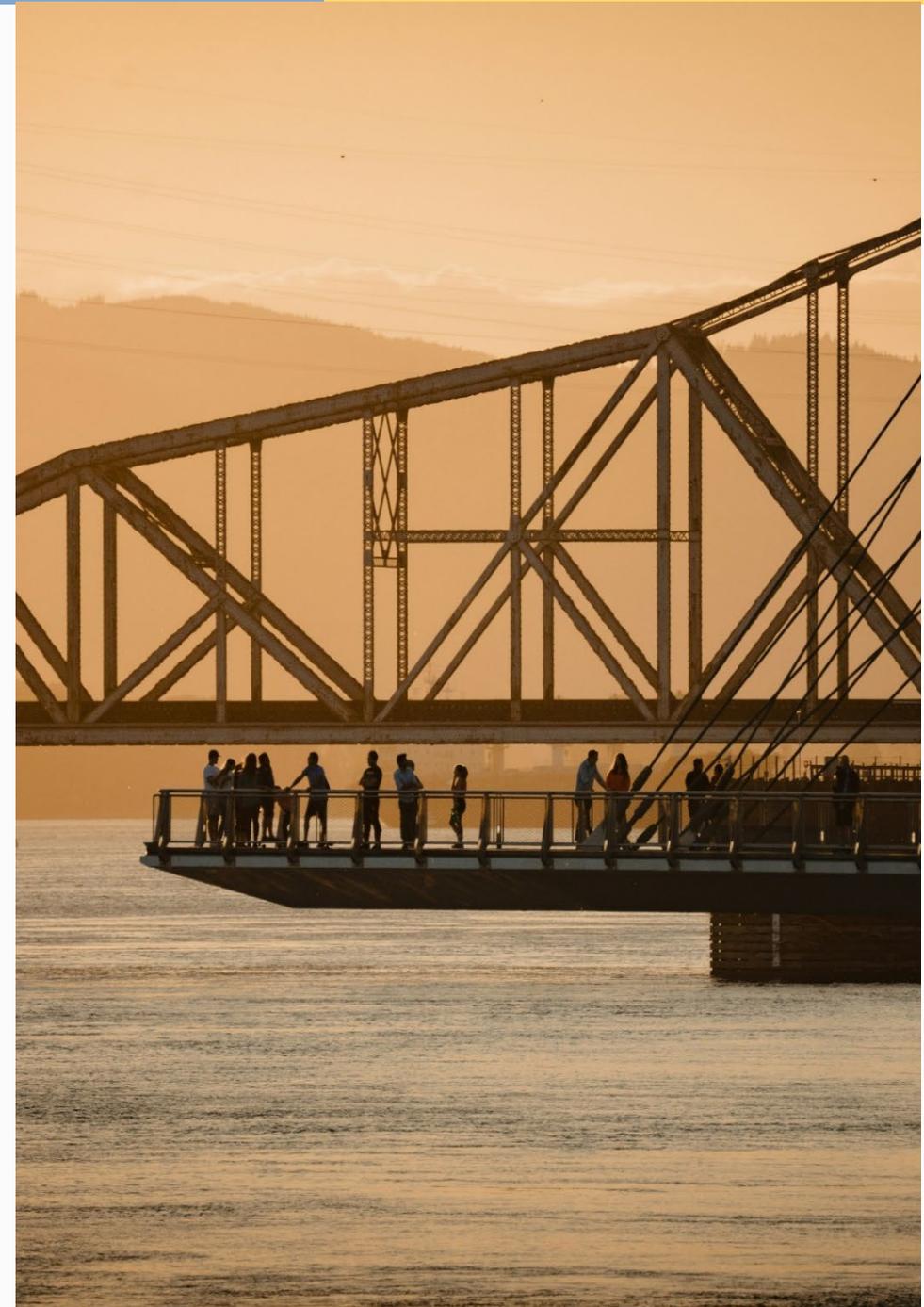
~40 industrial facilities qualify as  
EITES in Washington

# Location of EITE facilities



# Current CCA policy

- No-cost allowances until at least 2034 (declines every four years)
- Mitigate leakage of emissions and incentivize early investment in decarbonization
- Most carbon trading programs take this approach



# Report on EITE allocation: 2035-2050

- The Legislature has not specified the EITE reduction schedule for 2035-2050
  - The Legislature express intent to do so by Dec. 1, 2027
- CCA required Ecology to prepare a report with information on policy options for EITE allowance allocation for 2030-2050
  - After gathering extensive feedback on this issue, Ecology submitted the report in Jan. 2026
- Ecology submitted its [report](#) in early January 2026

# Recommendations

1. Continue no-cost allowance allocation to EITEs while ensuring the integrity of the cap:

- Align EITE allowances with cap (highest priority)
- More directly incentivize emission reductions

2. Consider additional changes to optimize allowance allocation policies

3 & 4. Further evaluations of environmental justice and economic impacts:

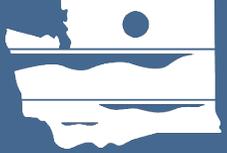
- Localized, facility-level air pollution and health data
- Additional engagement with Tribes and communities near EITEs

5. Consider other complementary measures to advance decarbonization

# Next steps

- The Legislature introduced companion bills related to EITE policy development
  - [HB 2537](#) and [SB 6246](#)
- Anticipate further analysis of EITE air pollution data and community impacts
- Potential opportunities to:
  - Provide input on policy development
  - Collaborate on community meetings

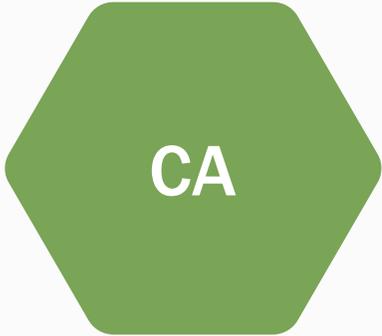




# Cap-and-Invest Linkage

Stephanie Potts - Senior Environmental Planner, Cap-and-Invest Program and Linkage

# A linked carbon market



Linked jurisdictions



Linked market



Allowances purchased

# Criteria for linking



**Communities:** What are the potential impacts of linking on communities?



**Costs:** Would linking reduce the cost of compliance?



**Climate goals:** Will joining markets impact WA's ability to meet greenhouse gas emission limits?

# Linkage process & timeline

**First half of 2023**

Linkage exploratory process



**Fall 2023**

Decision to pursue linkage



**Started in 2024**

Align market policies  
Environmental Justice Assessment



**Likely in 2026**

Linkage agreement



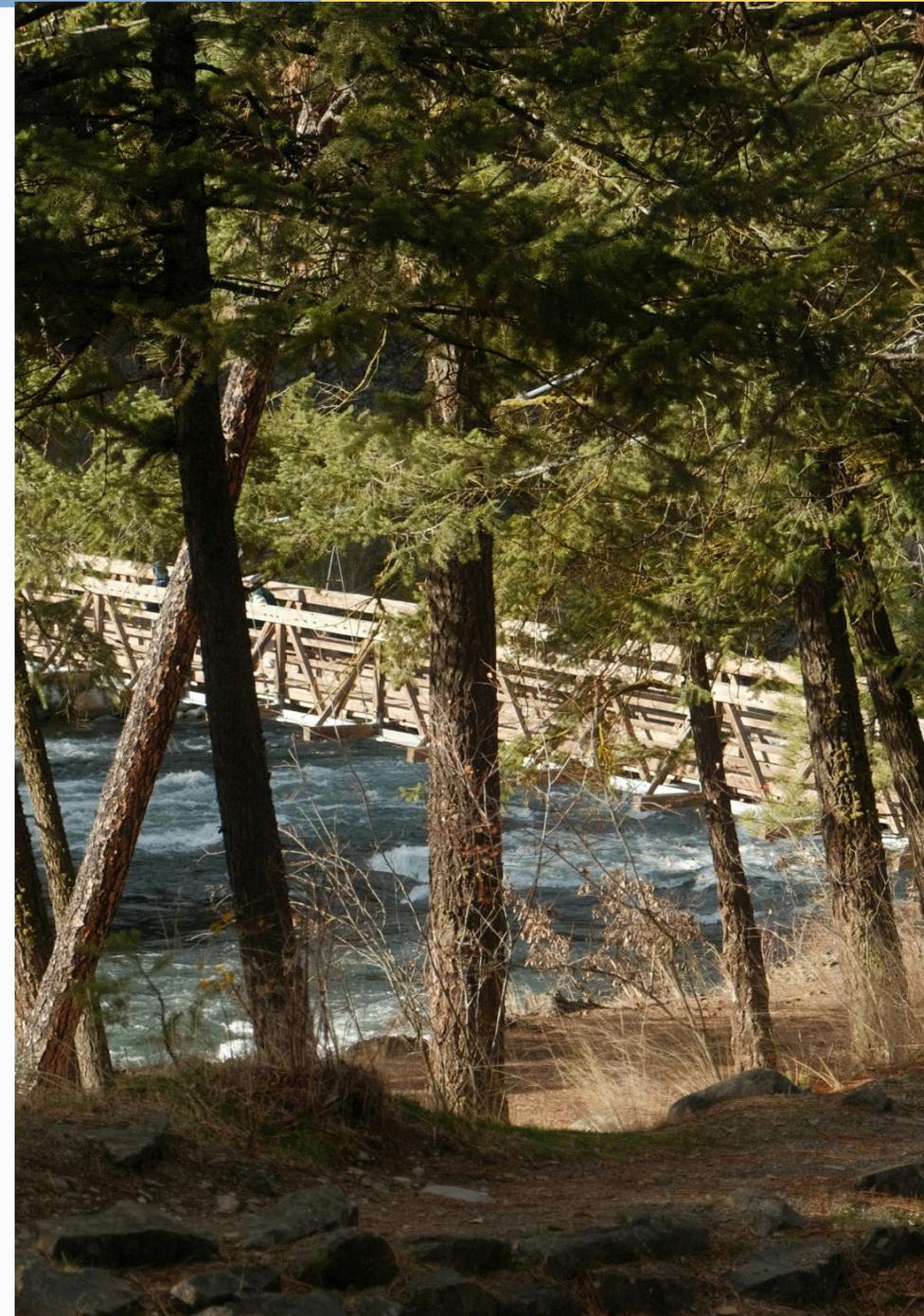
**2027**

Link markets



# Linkage agreement

- Sets expectations for information sharing, cooperation, and accounting for greenhouse gas reductions
- Non-binding, does *not* create or change regulations
- Don't need to have identical programs to link, Washington will still have the same:
  - Greenhouse gas emissions limits
  - Offset credits limits and offsets under the cap
  - Policies to address air quality
  - Same authority to change our laws and rules
  - WA Legislature determines how CCA revenue is spent



# What we've heard so far

- Tribal consultation: ongoing
- Environmental Justice Council consultation: ongoing
- Public engagement:
  - Exploratory phase: Jan. – May 2023
  - Agency request legislation: Oct. – Dec. 2023
  - Rulemaking: Apr. 2024 - present
  - Environmental Justice Assessment: June 2024 to present
  - Linkage agreement development: Nov. 2024 – Mar. 2025
  - Draft California-Quebec-Washington linkage agreement: upcoming

### Positive

Lower energy costs for consumers

More stable and durable program

Momentum for state climate action

### Uncertain

Impacts to air pollution

Impacts to GHG emissions

### Negative

Decrease auction revenue

Decrease offset project value

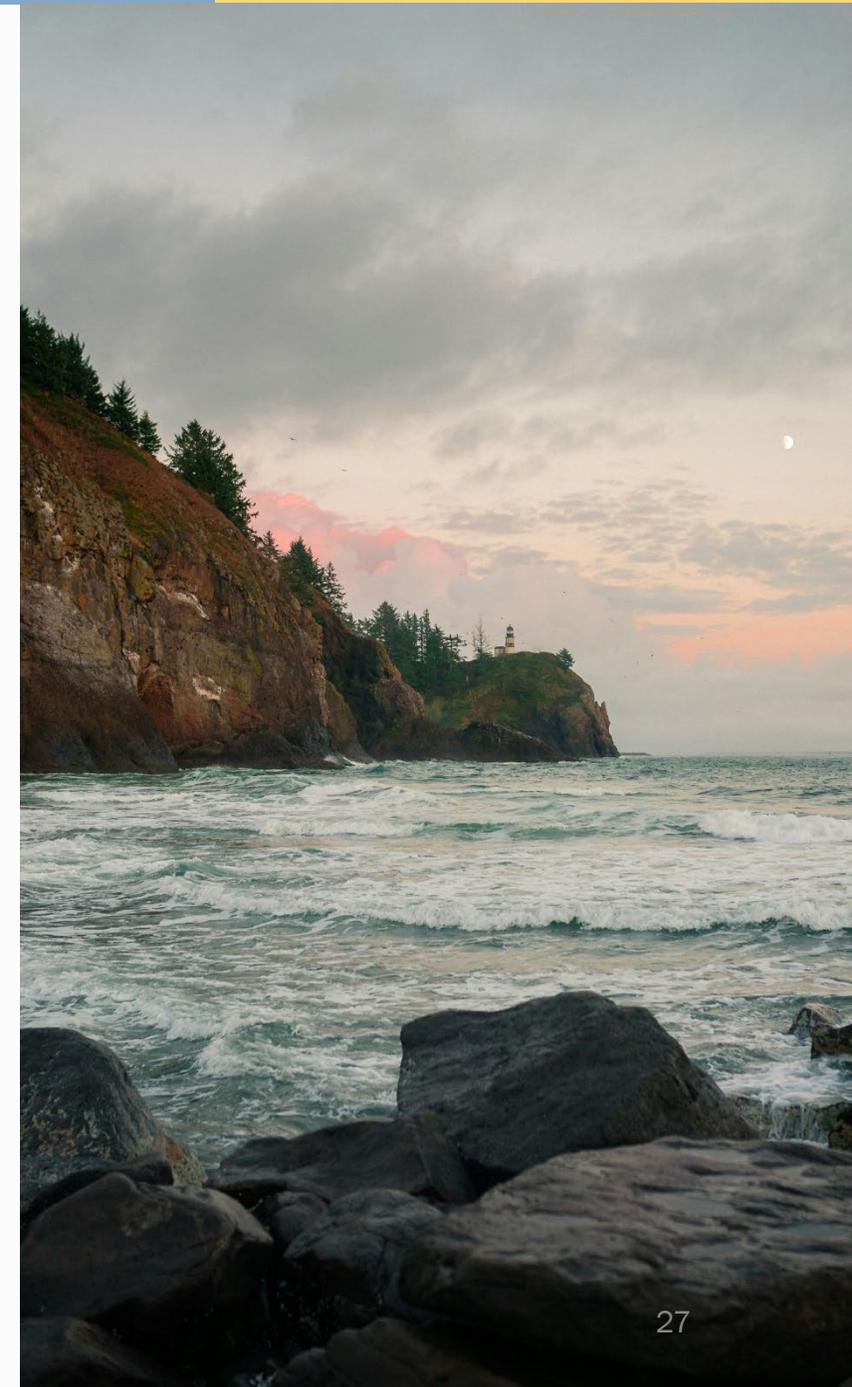
**Preliminary analysis of impacts (2023). Updated analysis coming soon.**

# What we've done

- Analysis of recommendations from the Environmental Justice Council and follow up discussion with Councilmembers
  - Facility specific greenhouse gas emissions caps – *new analysis of this policy proposal in the context of Washington's Cap-and-Invest Program coming soon*
  - Prohibiting the use of unused allowances issued prior to Washington linking to California and Quebec
  - Limiting the use of offsets
  - The establishment of expiry dates for stored allowances
- Proposing changes to rules, when we have flexibility in law
  - Updated rules related to offset credits used for compliance based on comments from Tribal governments
- Expanded Tribal government and public engagement activities

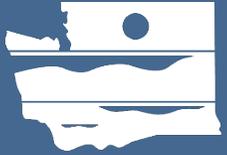
# Comment opportunities

- Ongoing
  - Environmental Justice Assessment on linkage
  - Linkage criteria analysis
- Upcoming
  - Draft WA-CA-QC linkage agreement: Anticipated in 2026
  - Rulemaking process: Anticipated spring 2026

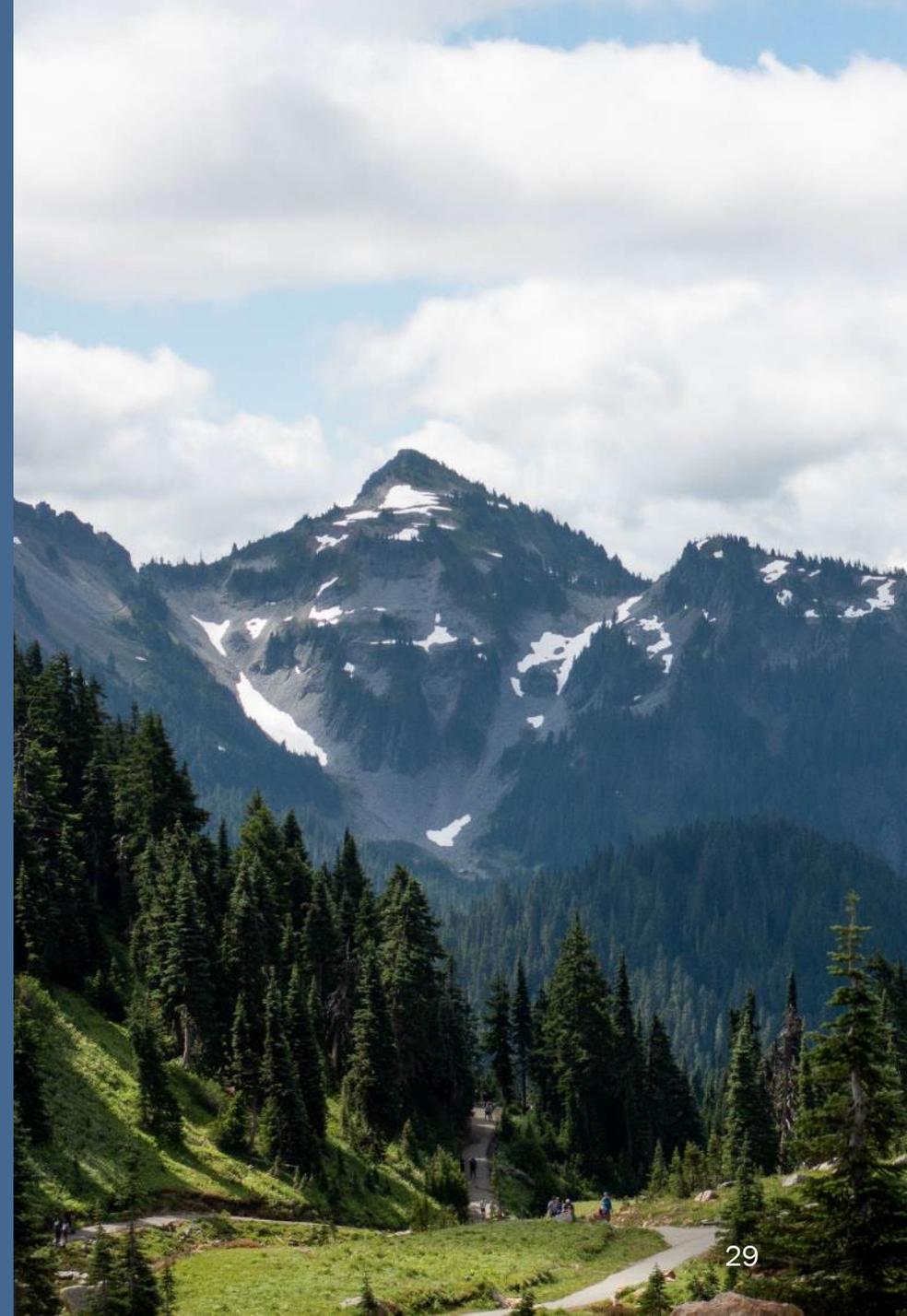


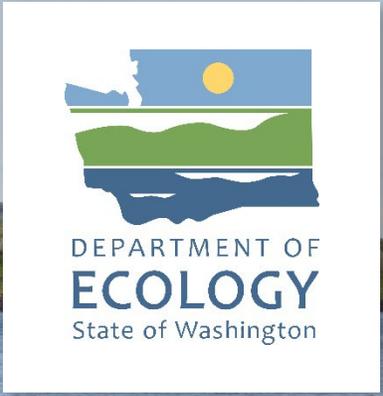
# Future engagement opportunities

- Rulemaking to address air quality in overburdened communities highly impacted by air pollution
  - Spring meetings
- Report on allocation of allowances to emissions-intensive, trade-exposed industries from 2035-2050
  - Post legislative session
- Linkage with California and Québec
  - Draft agreement in 2026



# Questions





# Thank you

Closing text or contact info