



DEPARTMENT OF
ECOLOGY
State of Washington

Climate Commitment Act Rulemaking

Air Quality Program Team

Special Meeting of the Environmental Justice Council

May 16, 2022

Agenda

1. Environmental Justice Commitment: Millie Piazza, Program Manager, Office of Equity and Environmental Justice
2. Overview of Ecology's Work on the Climate Commitment Act: Kathy Taylor, Program Manager, Air Quality
3. Rulemaking: Joshua Grice, Climate Rule Unit Supervisor, Air Quality

Climate Commitment Act

- Cap-and-invest program begins Jan. 1, 2023
- Emitters generating more than 25,000 tons of CO₂e/year must purchase or receive emissions allowances
- Revenue from allowance auctions is invested in climate change and environmental justice projects/programs
- Expanded air monitoring and reduced air pollution in overburdened communities highly impacted by air pollution



The Environmental Justice Council and the Climate Commitment Act

Cap-and-Invest:

- Receiving recommendations on the **development and implementation of the Cap-and-Invest program**
- Ecology will provide **comprehensive 4-year reviews** of the program (starting in 2027)
- Make **recommendations on meaningful consultation** with vulnerable populations
- **Input** on improving air quality in **overburdened communities highly impacted by air pollution**
- **Recommend how money raised** through the Climate Commitment Act's emissions allowance auctions should be spent

Additional CCA Work: Overburdened Communities

- Authorized under Section 3 of the Climate Commitment Act
- Refers to identifying overburdened communities highly impacted by air quality
- Expands placement of air quality monitoring networks
- Leads to additional emissions-reduction strategies



Rulemaking at Ecology

- Engagement
- Respectful communication with tribal governments and opportunity for government-to-government consultation
- Public input
- Transparency



Rulemaking Phases



- Research & analysis
- Informal input

- Public comment

- Consider & respond to comments

Cap-and-Invest Program Rule Timeline

In the Climate Commitment Act, the State Legislature directed Ecology to commence the cap-and-invest program by January 1, 2023, and to adopt the rule that establishes the program's structure and parameters by October 1, 2022.



Public Comment Period

May 16, 2022 – June 30, 2022:

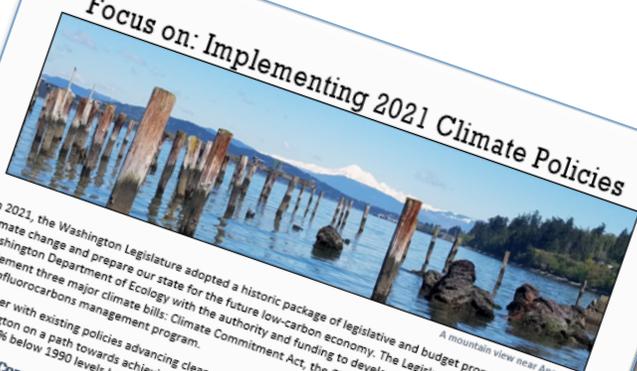
- Written public comments
- 4 virtual public hearings (including evening)
- Recommendations from this Council

Scope of this Rulemaking

Implements the market-based system for the Climate Commitment Act

- Covered entities
- Compliance obligations
- Allowances
- Auctions
- Projects for offset credits
- Enforcement

Focus on: Implementing 2021 Climate Policies



A mountain view near Anacortes

In 2021, the Washington Legislature adopted a historic package of legislative and budget proposals to combat climate change and prepare our state for the future low-carbon economy. The Legislature provided the Washington Department of Ecology with the authority and funding to develop rules and requirements to implement three major climate bills: Climate Commitment Act, the Clean Fuel Standard, and an expanded Hydrofluorocarbons management program.

Together with existing policies advancing clean energy and zero-emission vehicles, these new laws puts Washington on a path towards achieving the greenhouse gas limits set in state law: 45% below 1990 levels by 2030, 70% below 1990 levels by 2040, and 95% below 1990 levels and net-zero carbon emissions by 2050.

Climate Commitment Act

The Climate Commitment Act (E2SSB 5126) requires Ecology to establish a program, starting Jan. 1, 2023, to cap and reduce greenhouse gas emissions from the state's largest emitting sources consistent with the emission limits in state law. The Act establishes a declining cap on emissions, and requires regulated businesses to obtain allowances for each metric ton of greenhouse gas they emit. The program includes special provisions to protect Washington's industrial manufacturing jobs and utility ratepayers.

The Climate Commitment Act requires Ecology to establish a program for the auction, tracking, and accounting of allowances. Proceeds from the auction of allowances under the Climate Commitment Act will be used to invest in supporting climate resiliency, eliminating air pollution, reducing health disparities in overburdened communities, and helping Washington transition to a low-carbon economy.

Together with the Healthy Environment for All Act (E2SSB 5141), the Climate Commitment Act puts environmental justice at the center of climate policy. It requires Ecology to expand air quality monitoring in overburdened communities, evaluate air quality and health impacts in these areas, and adopt additional requirements to reduce air pollution and protect public health if air quality does not improve.

Ecology will begin three separate rulemakings in summer 2021 to implement the Climate Commitment Act

Rulemaking	Announce rule	Propose rule	Adopt rule
Cap-and-invest program rules (Chapter 173-446 WAC)	August 2021	Spring 2022	Fall 2022
Criteria for emissions-intensive trade-exposed industries (Chapter 173-446A WAC)	August 2021	Early 2022	Summer 2022
Greenhouse gas reporting rule updates (Chapter 173-441 WAC)	July 2021	Fall 2021	Early 2022

June 2021

Page 1

Ideas for Engagement in Current Public Comment Period

- The Council can provide written recommendations to Ecology
- Ecology and Council could meet, with Ecology documenting Council's recommendations
- Other options are possible



Looking to the Future

- Ecology is committed to providing information
- Including interactive meetings on specific topics upon Council's request
- We welcome working with the Council
- We are committed to transparency, fairness, and equity

