



RULE-MAKING ORDER PERMANENT RULE ONLY

CR-103P (December 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: September 29, 2022

TIME: 8:43 AM

WSR 22-20-056

Agency: Department of Ecology AO #21-06

Effective date of rule:

Permanent Rules

31 days after filing.

Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

Yes No If Yes, explain:

Purpose: The rulemaking adopts a new Chapter in the Washington Administrative Code, Chapter 173-446 WAC, Climate Commitment Act Program. The purpose of this new chapter is to establish and implement the programmatic framework in the Climate Commitment Act (Greenhouse Gas Emissions—Cap-and-Invest Program, Engrossed Second Substitute Senate Bill 5126, Chapter 316, Laws of 2021, codified as RCW 70A.65.)

This rulemaking will establish the foundational regulations necessary to implement Sections 060 through 210, and 310, of RCW 70A.65, the Climate Commitment Act Program to cap greenhouse gas (GHG) emissions and implement an allowance trading market. Components of the rule include, but are not limited to:

- Program coverage, registration, and account requirements
- Methods and procedures for allocating allowances
- Allowance budgets for the first compliance period (2023 – 2026) and distribution of allowances
- Auction registration requirements
- Auction floor and ceiling prices and Tier I and Tier II prices for allowance price containment reserve auctions
- Emissions containment reserve
- Procedures and protocols for offset projects
- Enforcement provisions
- Transfer and sale of allowances and recognition of compliance instruments
- Other elements to support the operation and functioning of the cap and invest program

Citation of rules affected by this order:

New: Chapter 173-446 WAC

Repealed:

Amended:

Suspended:

Statutory authority for adoption: RCW 70A.65.220 Adoption of Rules

Other authority:

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 22-13-026 on June 3, 2022 (date).

Describe any changes other than editing from proposed to adopted version: A number of minor changes to the rule were made in response to public comment and ongoing consultation with other agencies, and for purposes of clarification and ease of implementation. For a complete list of changes made and the rationale for such changes, please see the Concise Explanatory Statement

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: Joshua Grice

Address: Department of Ecology

Air Quality Program

PO Box 47600, Olympia, WA 98504-7600

Phone: 360-280-6566

Fax: N/A

TTY: For Washington Relay Service or TTY call 711 or 877-833-6341.

Email: ecyreclimaterules@ecy.wa.gov

Web site: <https://apps.ecology.wa.gov/publications/SummaryPages/2202047.html>

Other:

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Federal rules or standards:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Recently enacted state statutes:	New	<u>78</u>	Amended	<u>0</u>	Repealed	<u>0</u>

The number of sections adopted at the request of a nongovernmental entity:

New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted on the agency's own initiative:

New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted using:

Negotiated rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Pilot rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Other alternative rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>

Date Adopted: 9/29/22

Name: Laura Watson

Title: Director

Signature:

