

# Ecology report to the Legislature on EITE allowance allocation for 2035-2050: Draft table of contents

## Executive Summary

### 1. Background and Context (description of context for the report)

- Overview of Climate Commitment Act and Cap and Invest Program.
- Legislative direction for Ecology to prepare report to Legislature.
- Focus areas for the report.
- Timeline and process for developing the report.

### 2. Tribal and interested party engagement (description of engagement undertaken and how feedback informed, and is documented in, the report)

- Advisory groups.
- Tribal engagement.
- Community/public engagement.

### 3. EITE Industries in Washington (description of EITE Industries in WA and key information)

- EITE sectors and facilities in WA.
- Emissions profile of EITE facilities.
- Economic impacts and considerations (e.g. employment and tax revenues)
- Environmental justice impacts and considerations (e.g. air pollution and health outcomes).

### 4. EITE allowance allocation policies in the CCA/Cap-and-Invest Program

- Description of current EITE policy framework within Cap-and-Invest Program, including how allowances are allocated, how leakage is defined, environmental justice requirements, and related policy objectives as expressed by legislature.

### 5. Review of best practice policies for avoiding emissions leakage and ‘economic harm’

- Carbon leakage theory, empirical evidence, leakage risk assessment, and future outlook.
- Policies for avoiding emissions leakage under carbon pricing.
- How WA approach to EITE allowance allocation compares to other jurisdictions.
- Key findings and conclusions, including summary of feedback.

### 6. Review of alternative methods for developing greenhouse gas baselines and benchmarks for EITE facilities

- Role of benchmarking in the context of EITE allocation in carbon pricing programs.
- Role of Best Available Technology (BAT) Assessments.
- How WA approach for establishing allocation baselines for EITEs differs from other jurisdictions
- Key findings and conclusions, including summary of feedback.

## **7. Review of alternative options for allocating no costs allowances to EITEs for 2035-2050**

- Description of alternative options for allocating no cost allowances to EITEs.
- Framework for assessing options for allocating no cost allowances to EITEs.
- Assessment of options for allocating no cost allowances to EITEs in 2035-2050.
- Key findings and conclusions, including summary of feedback.

## **8. Decarbonization pathways and EITEs in Washington**

- Overview of applicable state decarbonization policies, strategies, and initiatives (e.g. greenhouse gas emission limits, state energy strategy, comprehensive climate action plan).
- Potential decarbonization pathways for EITE Industries in WA.
- Opportunities and barriers for decarbonization of EITEs in Washington.
- Key findings and conclusions, including summary of feedback.

## **9. Recommendations to the Legislature**

### **10. Preliminary environmental justice evaluation**

- Identification of overburdened communities and vulnerable populations.
- Potential environmental benefits and harms.
- Summary of feedback from engagement.

## **Appendices**

- Detailed summary of feedback received from advisory groups, Tribes, the public and any other interested parties, including Ecology response to feedback.
- List of members of advisory groups.
- EITE sector profiles and other key information (not otherwise included in body of report).
- Glossary of terms and acronyms.