



# Cap-and-Invest Linkage Agreement

Public hearing

April 22 and April 27, 2026

# Ecology and supporting staff

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# Hearing purpose

The purpose of this public hearing is to share information about the draft Washington-California-Québec linkage agreement and assessments, answer questions from attendees, and provide an opportunity for the public to offer comments.

# Agenda

- 1 Overview of the Cap-and-Invest Program & linkage
- 2 Draft Cap-and-Invest linkage agreement
- 3 Assessments – Criteria and Environmental Justice
- 4 Next steps in the linkage process
- 5 Questions
- 6 Public hearing

# Climate Commitment Act



**Cap-and-Invest Program**

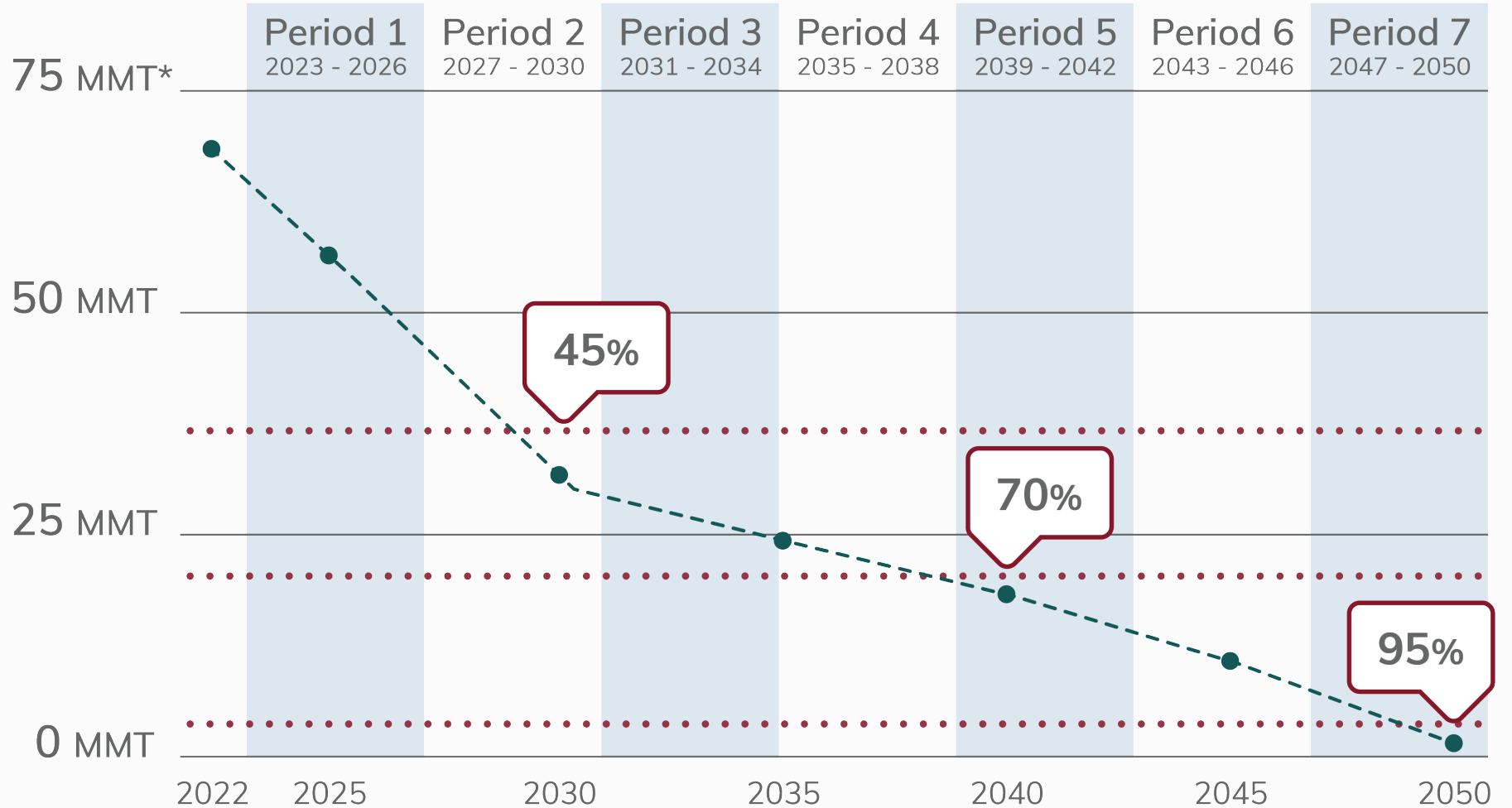


**Initiative to improve air quality**

# Cap-and-Invest Program

## Projected allowance budgets over time

\*MMT = million metric tons of carbon dioxide equivalent  
Reductions based on 1990 emission levels



Does not reflect changes under consideration in Cap-and-Invest Program Updates and Linkage rulemaking

# Ways to comply



Reduce greenhouse  
gas emissions



Emissions  
allowances



Offset  
credits  
(limits apply)

Allowance or offset credit = 1 metric ton of carbon dioxide equivalent

# Invest in communities

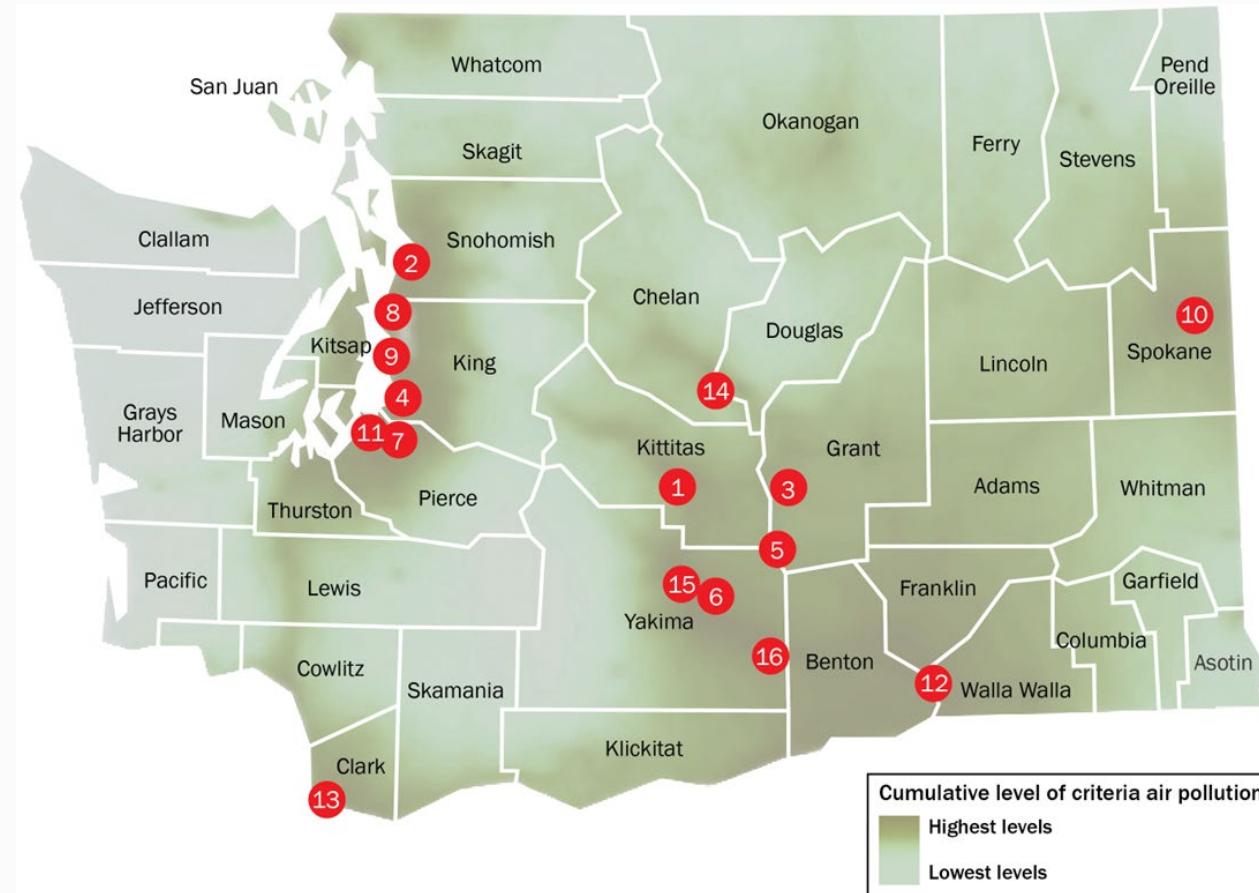


# Initiative to improve air quality

Engaging with 16 overburdened communities and Tribes through Government-to-Government consultation.

- Expanding air monitoring
- Adopting strategies to reduce air pollution
  - [Community grant program](#)
  - [Rulemaking for more protective air quality standards](#)
- Evaluating and reporting air pollution, greenhouse gas, and health data every two years

<http://ecology.wa.gov/cleanair>



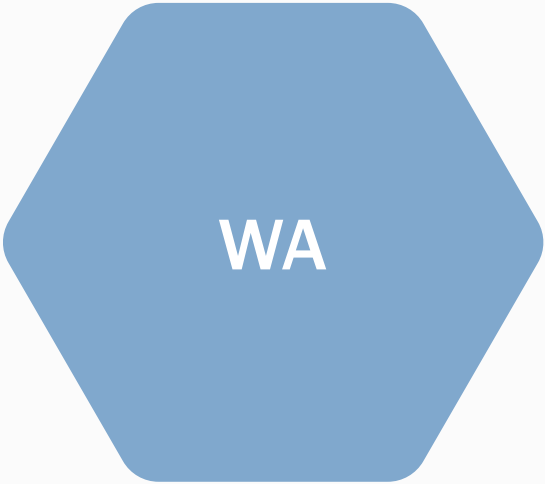
This list is intended for the purposes outlined in the [environmental justice review](#) section of the Climate Commitment Act. We are in consultation with Tribes most highly impacted by criteria air pollution.



# Questions about the Cap-and-Invest Program?



# Washington's carbon market



Single jurisdiction

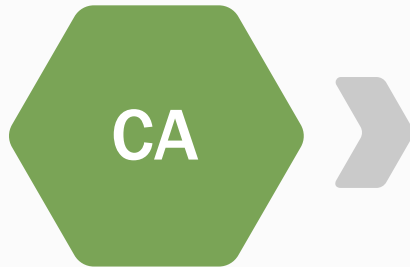
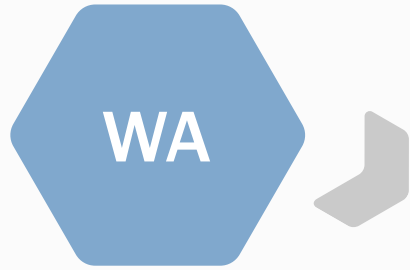


WA market



WA allowances purchased

# A linked carbon market



Linked jurisdictions



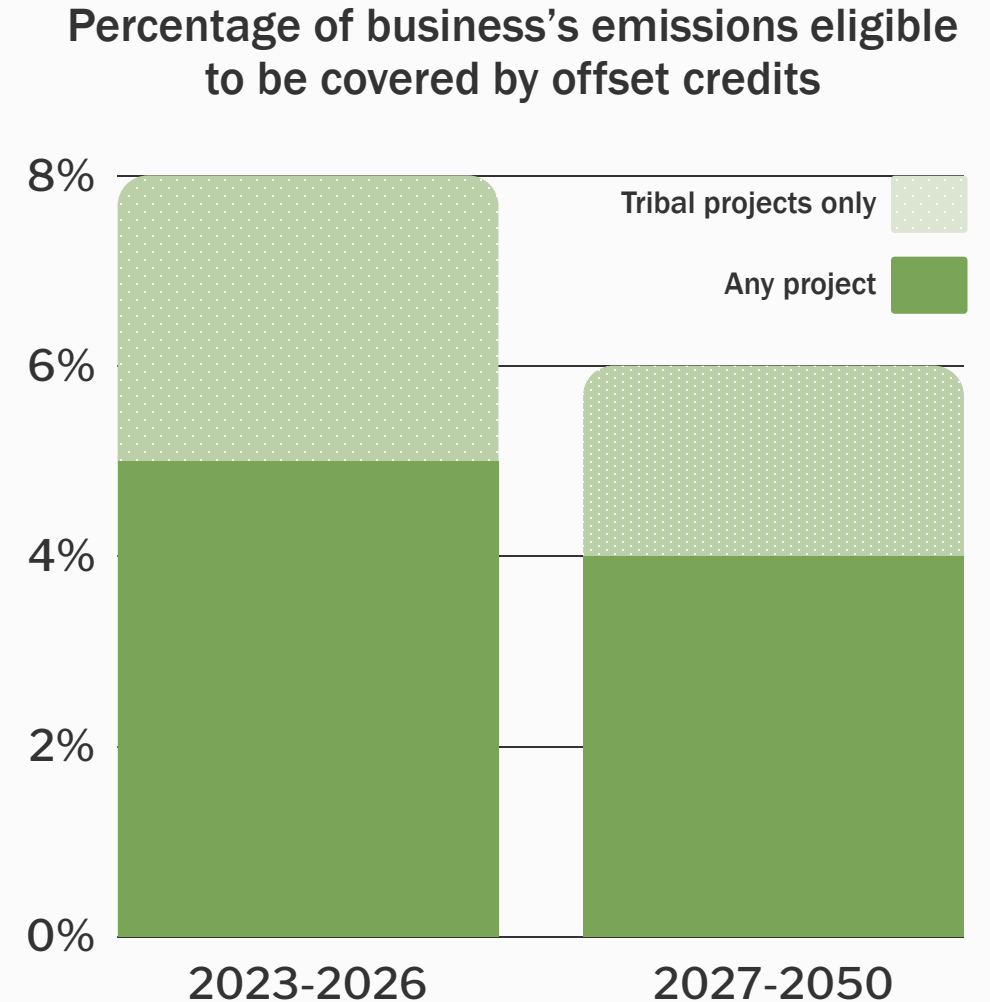
Linked market



Allowances purchased

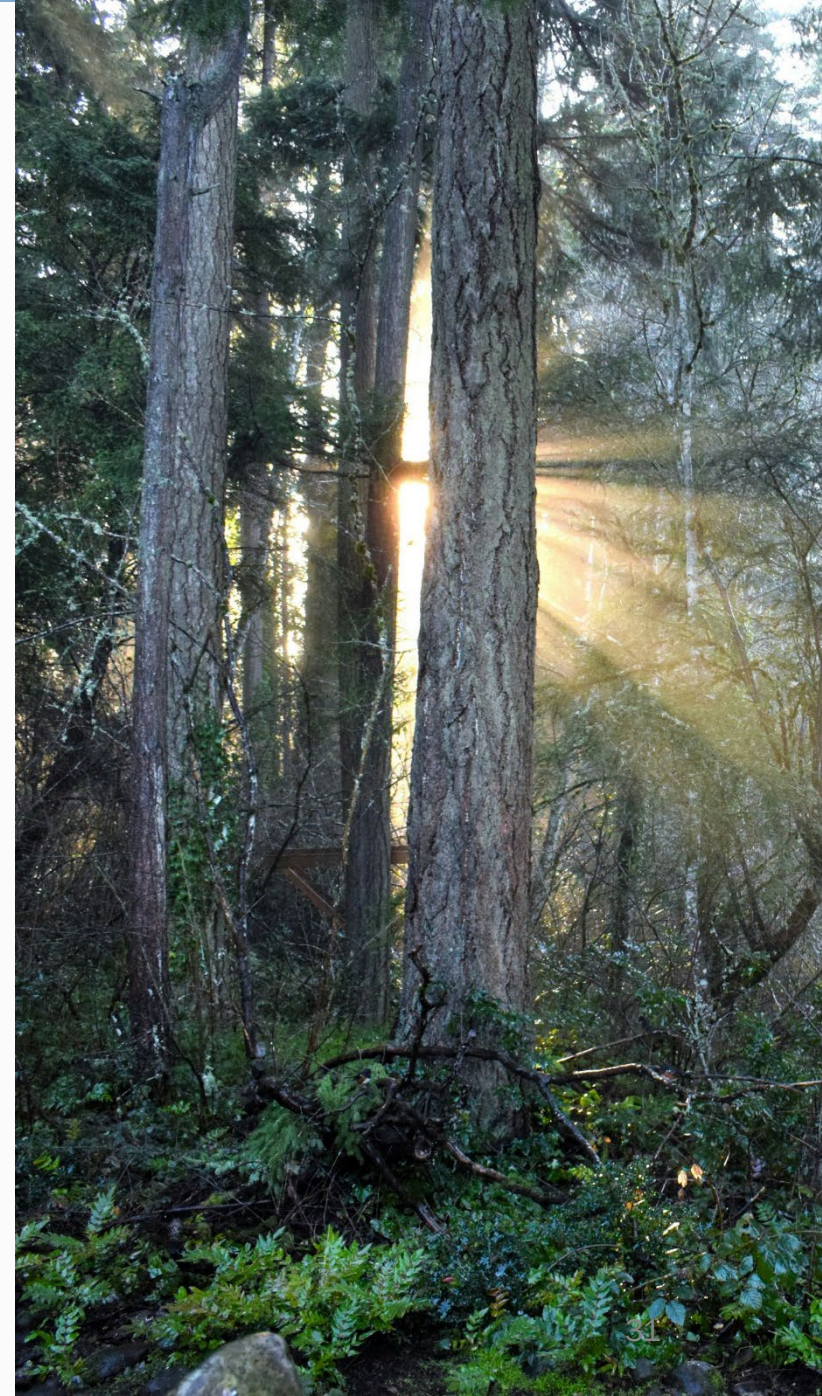
# Offset credits

- Limits on offset credit usage
  - Up to 8% of emissions through 2026
  - Up to 6% of emission from 2027-2050
- Provide direct environmental benefits to WA
- Under the cap
- Bought and sold directly between program participants



# Offset credits in a linked market

- Same overall limit and still “under the cap”
- Direct environmental benefits (DEBs) to WA
  - At least 50% - through 2026
  - At least 75% - 2027 through 2050
- Offset credits from projects *located in* California or Québec
  - Up to 50% - through 2026
  - Up to 25% - 2027 through 2050
- Proposal: additional % from Tribal projects must provide direct environmental benefits to WA



# Criteria for linkage



**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

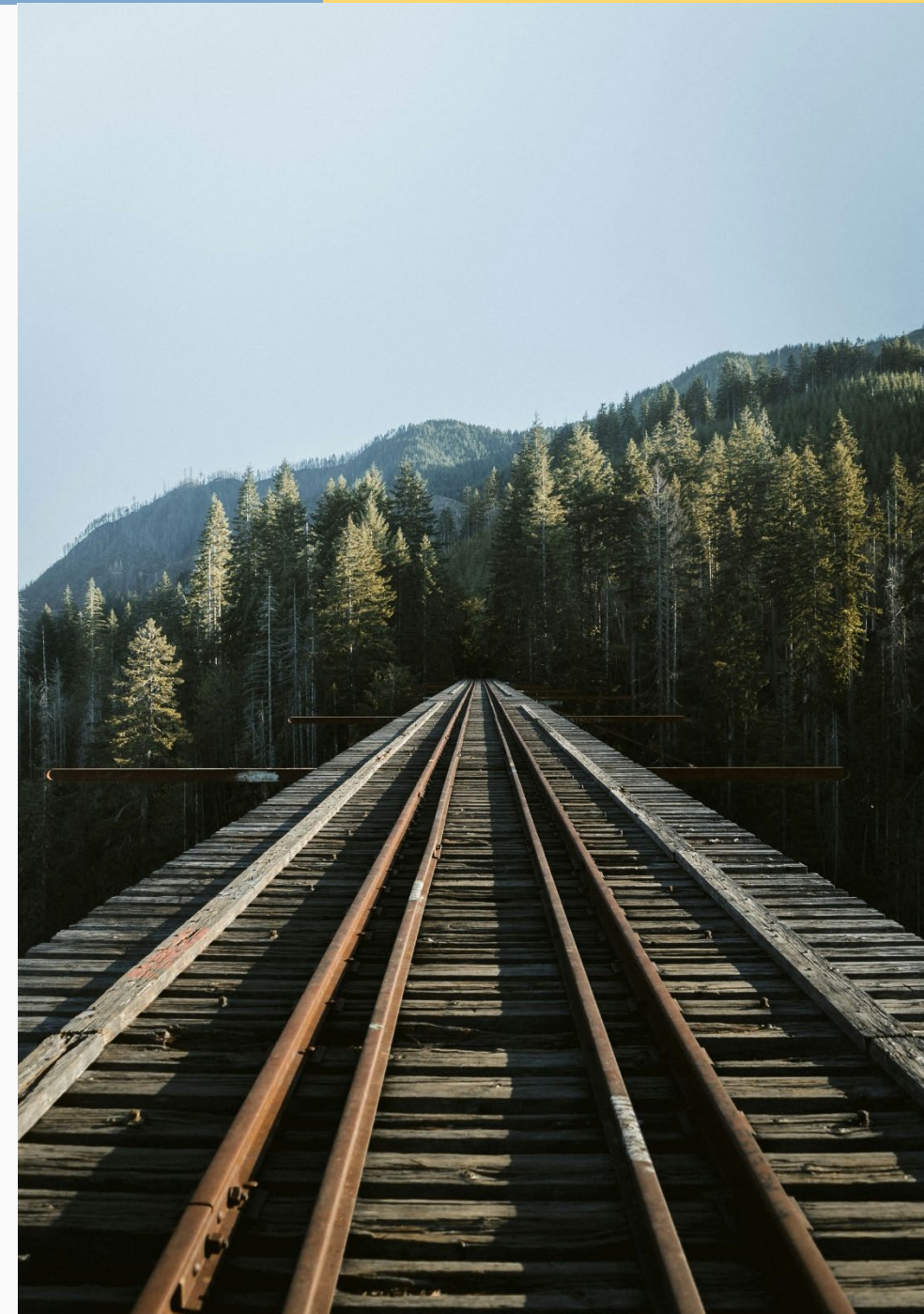


*\*tentative dates, timing still to be determined based on conversations with California and Québec*

# What is a linkage agreement?

- One of several steps to link
- Sets expectations for information sharing, cooperation, and accounting for greenhouse gas reductions
- Non-binding, does *not* create or change regulations
- Programs *do not* need to be identical to link

For more info, read this [2-page overview](#).



# What's in the draft linkage agreement?

- An acknowledgment that the agreement does not modify existing laws and regulations, nor obligate jurisdictions to create new ones
- A commitment to use proceeds from their programs to provide benefits to vulnerable populations and overburdened communities
- A commitment to holding joint auctions, accepting allowances and offset credits from linked jurisdictions, and using a common registry and auction platform, as allowed under each jurisdiction's regulations

*Continued on next slide...*

# What's in the draft linkage agreement?

- An expectation that offset protocols lead to emissions reductions that are real, additional, quantifiable, permanent, verifiable, and enforceable
- An agreed upon and transparent accounting mechanism that attributes greenhouse gas reductions to each jurisdiction and avoids double-counting
- Expectations and a process for regularly communicating, consulting, and coordinating on topics including: program regulations, offset protocols, market integrity, and enforcement

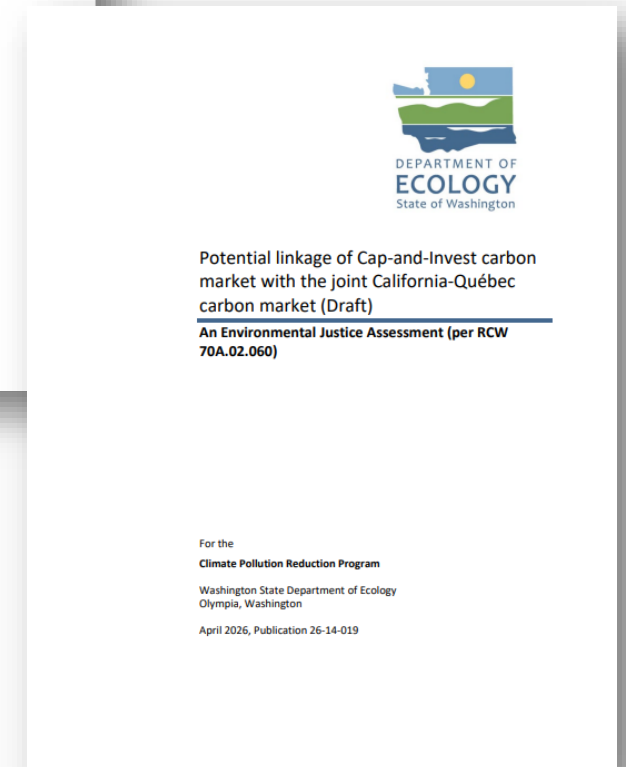
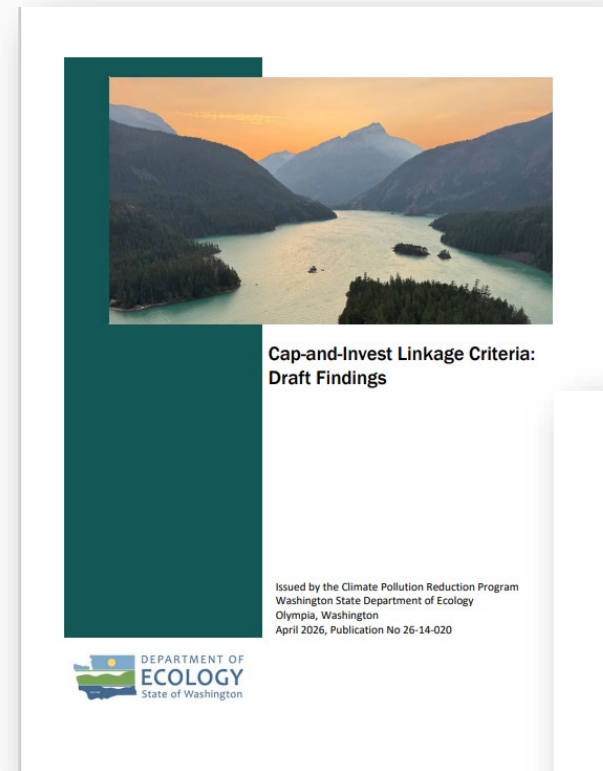
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# What's in the draft linkage agreement?

- Confidentiality obligations and information sharing
- A process for resolving differences
- Processes for amending the agreement, adding new jurisdictions, and withdrawing

# Linkage Assessments

- Criteria findings - Draft
- Environmental Justice Assessment – Draft
- State Environmental Policy Act



# What we heard in public comments



## Support for linking to:

- Reduce compliance costs
- Lower costs for energy and goods
- Stabilize the carbon market
- Strengthen the Cap-and-Invest Program
- Reduce greenhouse gas emissions



## Concerns about impacts on:

- Greenhouse gas reductions
- Air quality
- Funding for projects
- Demand for offset projects in Washington

# What we found: **meets CCA criteria**

- Reduce greenhouse gas emissions at lower total cost
- Larger markets = more stable
- More durable Cap-and-Invest Program → continue to reduce emissions and generate revenue in the coming decades
- More greenhouse gas emissions reductions over the long term
- Improve air quality
- Continue to prioritize environmental justice
- Funding continues to provide benefits to communities
- Maintain program stringency

# What we did

**Rule changes:** Proposing rule changes to increase benefits from offset projects to Tribes and communities in Washington.

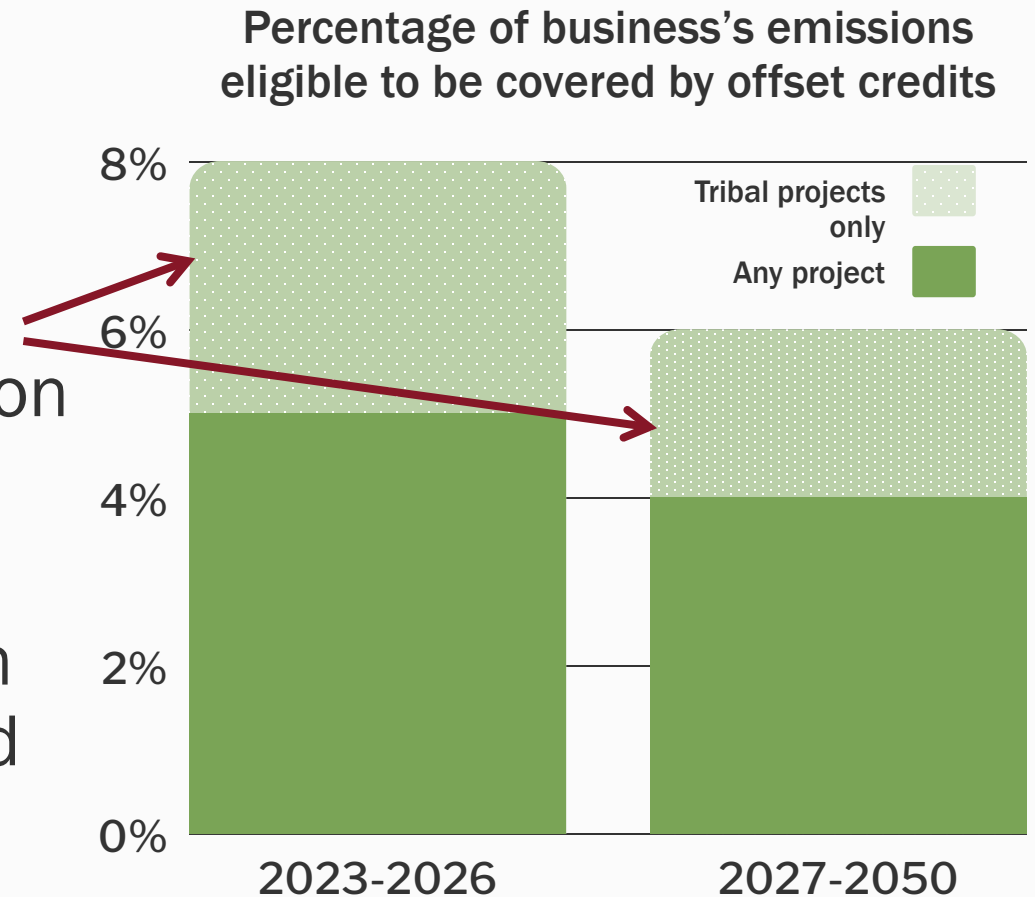
**Linkage agreement:** Added language on environmental justice and benefits to overburdened communities.

**Outreach and engagement:** Tribes, Environmental Justice Council, community groups, other interested parties.

**Ongoing monitoring and evaluation:** Greenhouse gas emissions, air quality, investments.

# What we did: offset projects

- Increase ability to use offset credits from projects on Tribal lands for compliance
- Require that offset projects on Tribal lands used to fulfill the additional portion of compliance obligations also provide direct environmental benefits to WA
- Add requirements for using Washington offset protocols in order to get assigned direct environmental benefits to WA



# Next steps



Finalize linkage agreement

Finalize criteria findings

Complete Environmental Justice Assessment

Align market policies through rulemaking

Decide whether to link



## During these public hearings on April 22 and 27

[April 22, 2026 from 9 to 11 a.m.](#)

[April 27, 2026 from 1 to 3 p.m.](#)



## Online by **11:59 p.m.** on May 6, 2026

<https://ecology.commentinput.com/?id=dh3NgpHmA>



## By mail to:

Stephanie Potts

Dept. of Ecology, CPRP Program

300 Desmond Dr. SE

Lacey, WA 98503

# How to comment



# Question and answer

Please raise your hand or submit your questions via the Q&A.



Q&A



More

## Public Hearing Reminders

- During the hearing, you can ask questions for the record, but staff are not able to respond during the hearing.
- Ecology records comments for the record during the public hearing.
- Raise your hand to indicate you'd like to provide a comment.

# Providing public comment

How to provide a comment:

- Raise Zoom hand (by clicking Reactions, then Raise Hand)
- Indicate that you have a comment in the chat
- If you're joining via phone, raise your hand by dialing \*9. To unmute, dial \*6.
- Once you are called on, unmute and share your comment





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# How to comment



# Closing and Next Steps



# Thank you

**Comment period closes May 6, 2026**

<https://ecology.commentinput.com/?id=dh3NgpHmA>

Please reach out if you have questions after the meeting or would like to meet with Ecology to talk more about linkage.

**Stephanie Potts**

Senior Environmental Planner for Linkage

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