



# Cap-and-Invest Rulemakings and Linkage Community forum

Community Forum

August 13, 2025

# Ecology staff introductions

- Meg Baker – Community Outreach Specialist, Facilitator
- Jihan Grettenberger – Community Outreach Specialist, Facilitator
- Stephanie Potts – Senior Environmental Planner for Linkage
- Surabhi Subedi – Environmental Planner, Cap-and-Invest Program Updates Rulemaking Lead
- Kayla Stevenson – Environmental Planner, Offsets Rulemaking Lead
- Jordan Wildish – Offsets and Tribal Grants Unit Supervisor
- Lauren Sanner – Rulemaking Lead, Technical Host

# Agenda

- 1 Climate Commitment Act overview
- 2 Cap-and-Invest linkage overview
- 3 Rulemaking and Environmental Justice Assessments
- 4 Cap-and-Invest Program rulemakings
- 5 Next steps and stay involved



# Stay updated on CCA engagement opportunities

## CCA Ways to engage webpage

- Public events and comment periods
  - [ecology.wa.gov/CCA-engage](https://ecology.wa.gov/CCA-engage)

## Sign up for the CCA email lists

- [All CCA updates](#)
- \*NEW\* [Public events and community opportunities](#)

### Climate Commitment Act: Ways to engage

We value your input and want to hear from you as we continue to implement the Climate Commitment Act (CCA) across Washington state. Check out our current and upcoming opportunities to give your input, including on our CCA rulemakings through comment periods and public hearings. Learn more about CCA-funded grants offered through Ecology, too.

Public comment opportunities & rulemakings



Public events



Events for Tribal governments



Improving air quality in overburdened communities





# Temperature check

- In what capacity are you participating today?
- How many Cap-and-Invest public meetings or community forums have you previously attended?
- What are you hoping to learn or take away from this meeting?



# Climate Commitment Act (CCA)



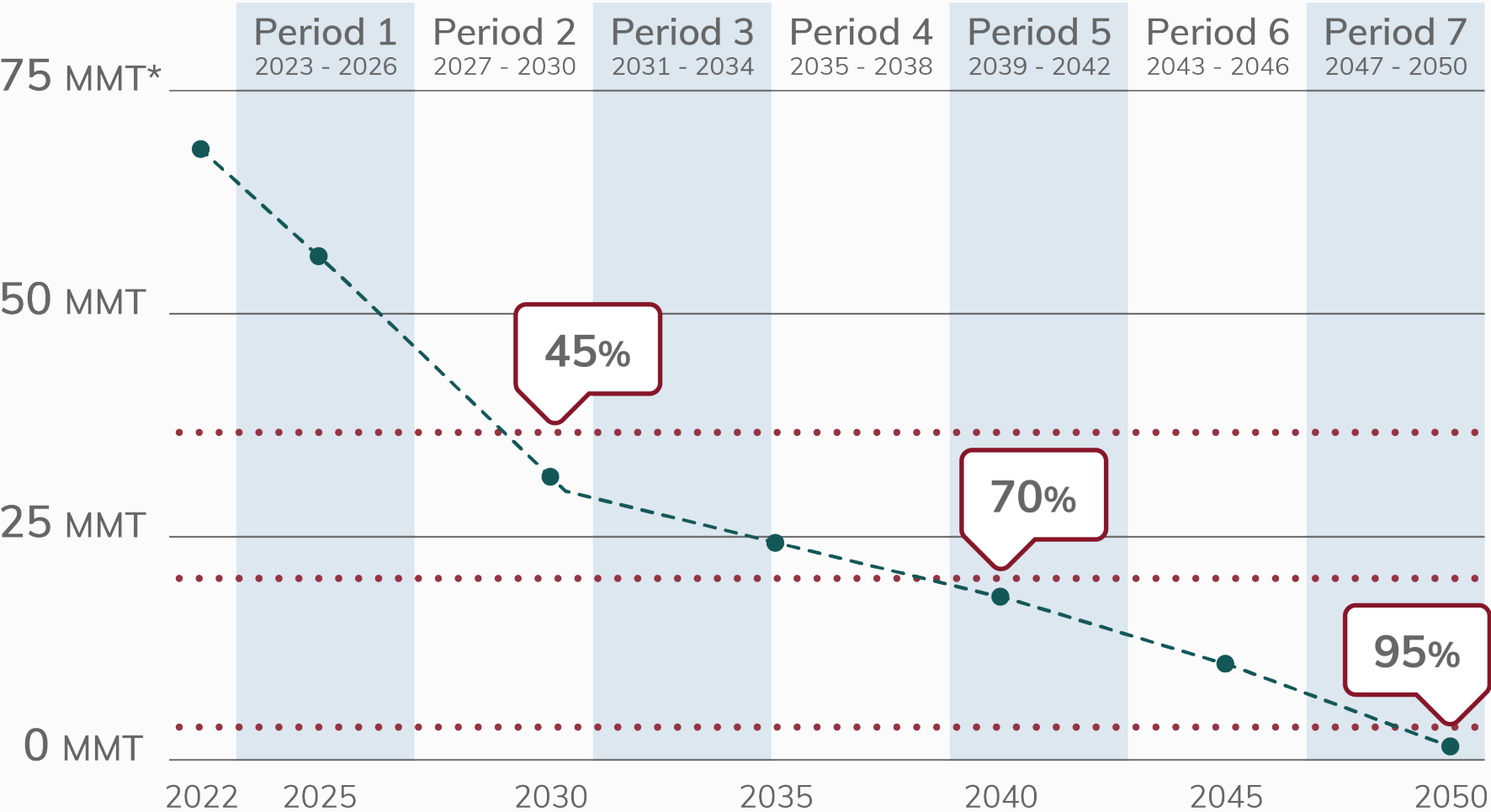
**Cap-and-Invest Program**



**Initiative to improve air quality**

# Cap-and-Invest Program

## Projected greenhouse gas emissions cap over time



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



# Which emissions are covered?

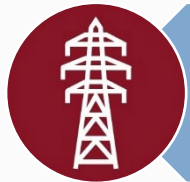
## Covered emissions (~70%)



Facilities



Fuel suppliers



Electricity imports

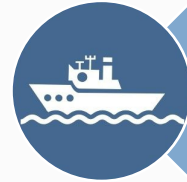


Natural gas  
suppliers

## Not covered (~30%)



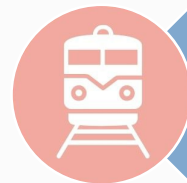
Fuels used for  
agricultural  
operations



Fuels used for  
maritime and aviation



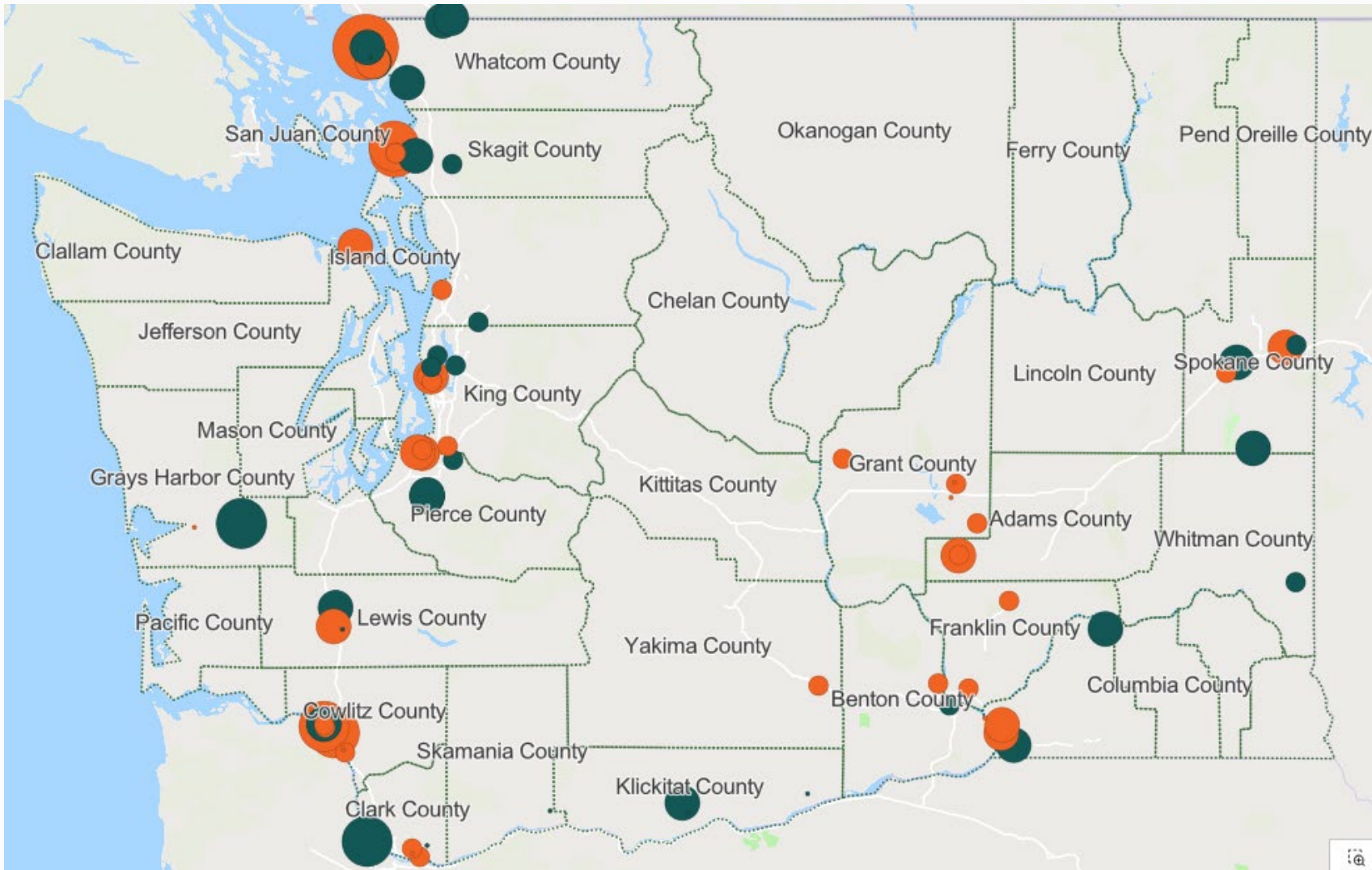
Waste-to-energy\*



Railroads\*

*\*will be added to  
covered emissions in  
the future*



# Map of covered entities



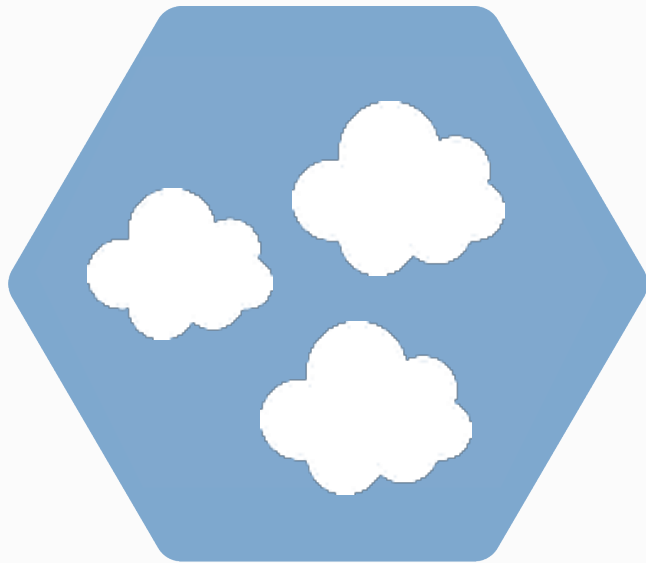
**Covered entities:** Greenhouse gas emitters that meet the program thresholds; participation is required

**Note:** Map does not show entities without a physical location

## Map key

-  Emissions-intensive, trade-exposed industry (EITE)
-  Facility – non-EITE

# Ways to comply



Emissions  
allowances



Offset  
credits



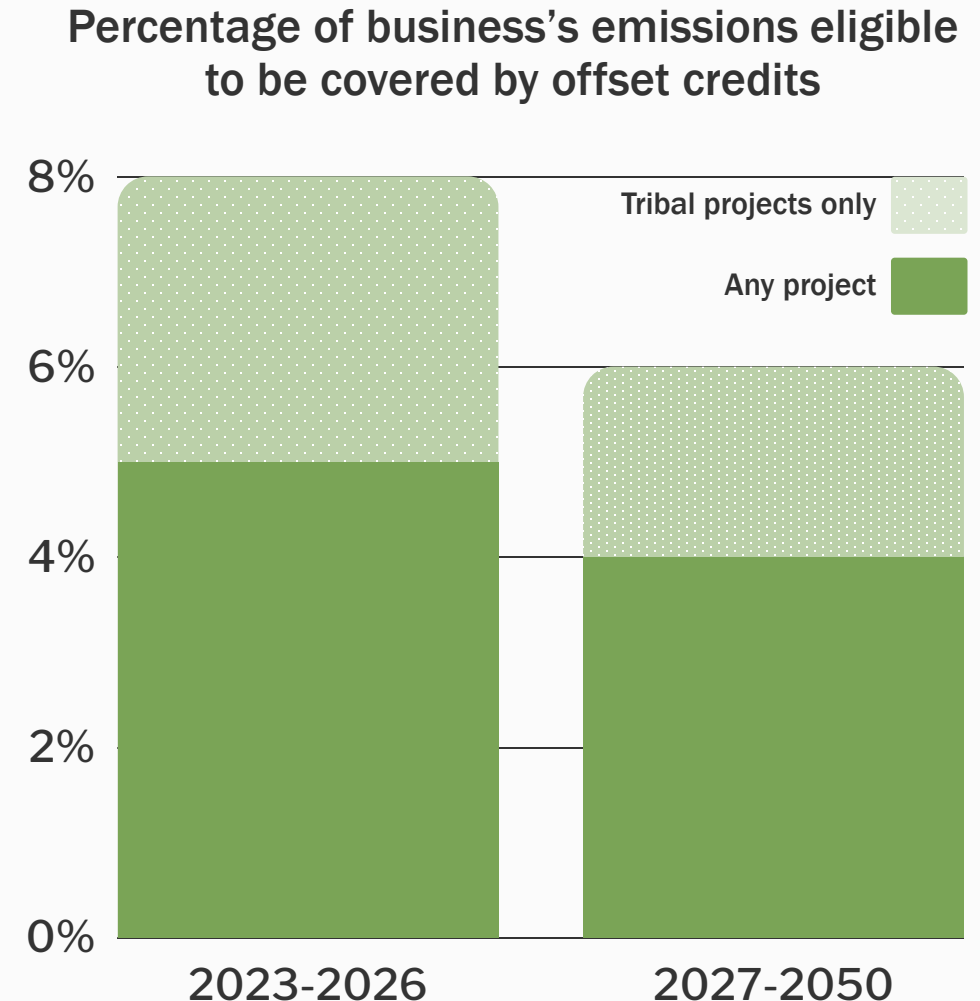
Reduce greenhouse  
gas emissions

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



# Offset credits

- One credit = emission reduction or removal of one metric ton of carbon dioxide equivalent
- Limits on offset credit usage
  - Up to 8% of emissions through 2026
  - Up to 6% of emission from 2027-2050
- ‘Under the cap’ – one allowance retired for every credit used



# Invest in communities

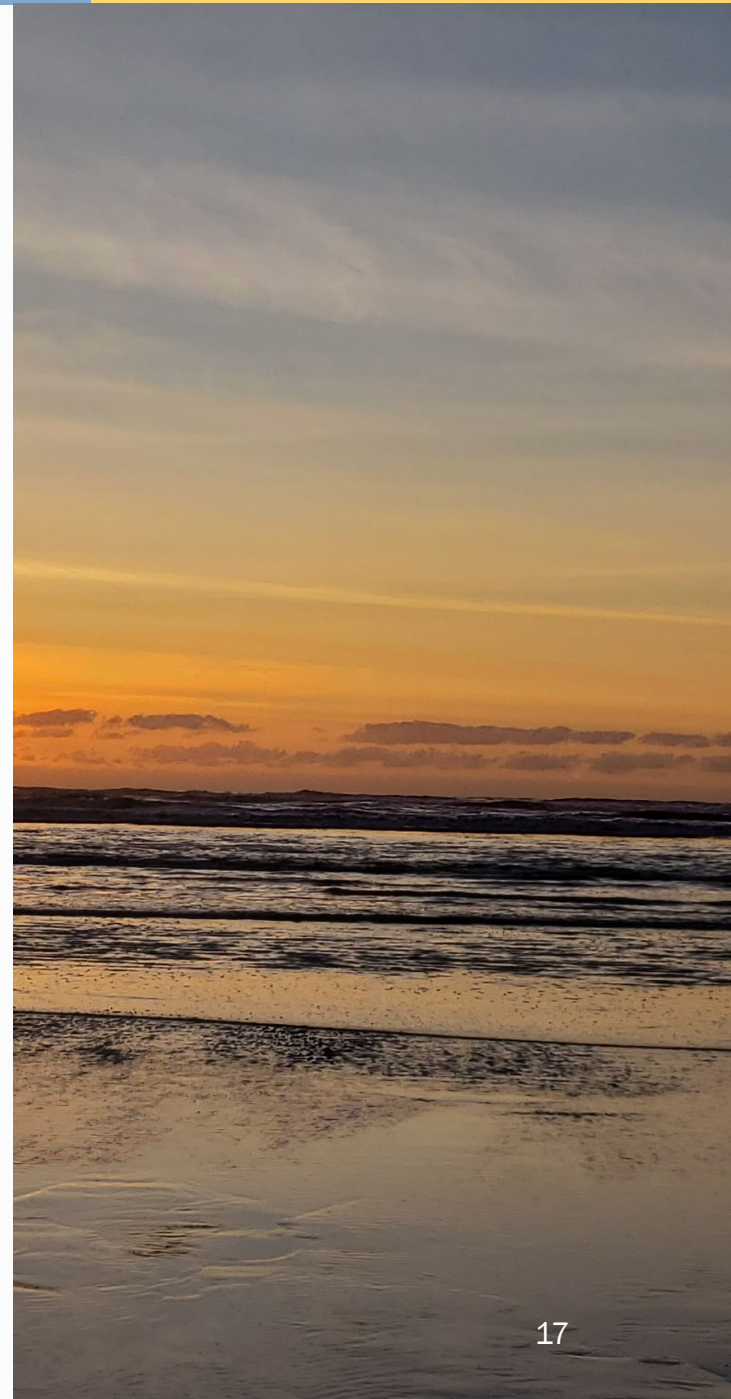




# Initiative to improve air quality

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







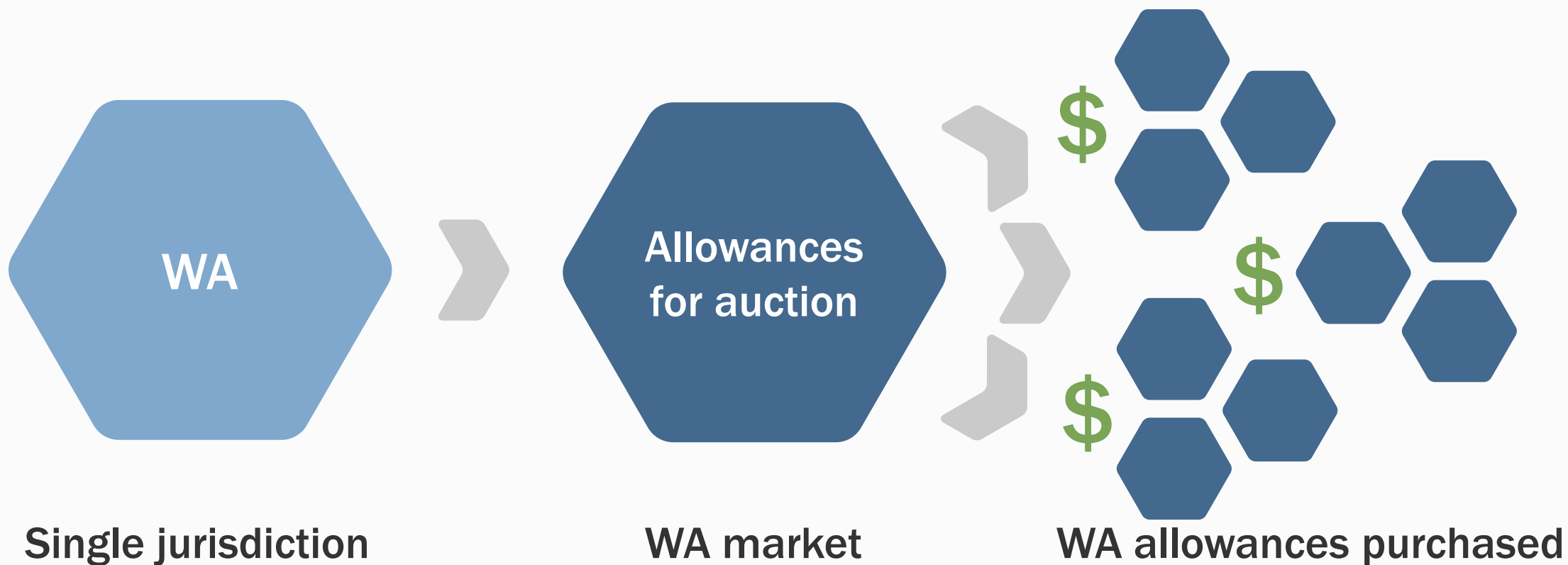
# Questions about the Cap-and-Invest Program?



# Cap-and-Invest linkage overview

[cca.wa.gov/linkage](https://cca.wa.gov/linkage)

# Washington's carbon market





# A linked carbon market



Linked jurisdictions



Linked market



Allowances purchased

# What is a 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



# 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



**2026 or 2027**

Link markets



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

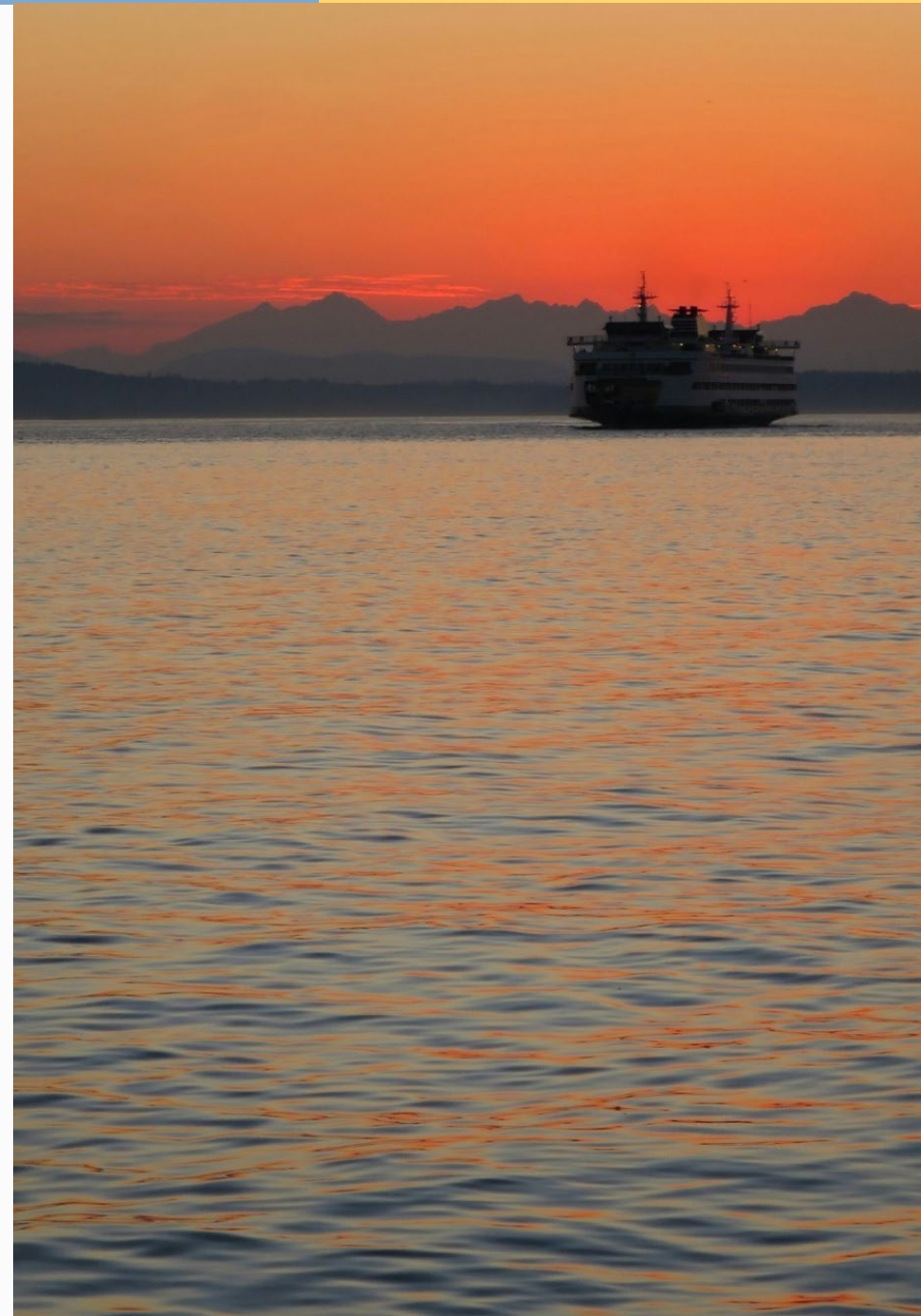
# What are the potential impacts of linking?

What we've heard so far:

- Lower costs for energy and goods to Washington consumers
- Increase market stability
- Encourage other states to adopt climate policies
- Less financial incentive for companies in WA to reduce carbon emissions -> impacts to air pollution
- Reduce funding from auctions to invest in projects in WA
- Reduce value of offset projects in WA

# Ecology analysis of linking

- Preliminary analysis of impacts – will update
- More stable and effective program
- More consistent allowance prices, which allow businesses to better plan emissions reductions





# Comment opportunities for linkage

## Today

- Environmental Justice Assessment on linkage
- Linkage criteria analysis
- Rulemaking process (coming up next)

## Upcoming

- Linkage agreement
  - See [comments submitted in March](#)
  - Draft WA-CA-QC linkage agreement: Anticipated in late 2025 or 2026\*

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





Questions about linkage?



# Rulemaking and Environmental Justice Assessments



# Rulemaking terms

## Laws (State)

Created by Legislators  
Known as Revised Code of  
Washington (RCW)

- Climate Commitment Act  
(Chapter 70A.65 RCW)

## Rules

Details how a state agency  
will implement a law; a  
codified regulation

Known as Washington  
Administrative Code (WAC)

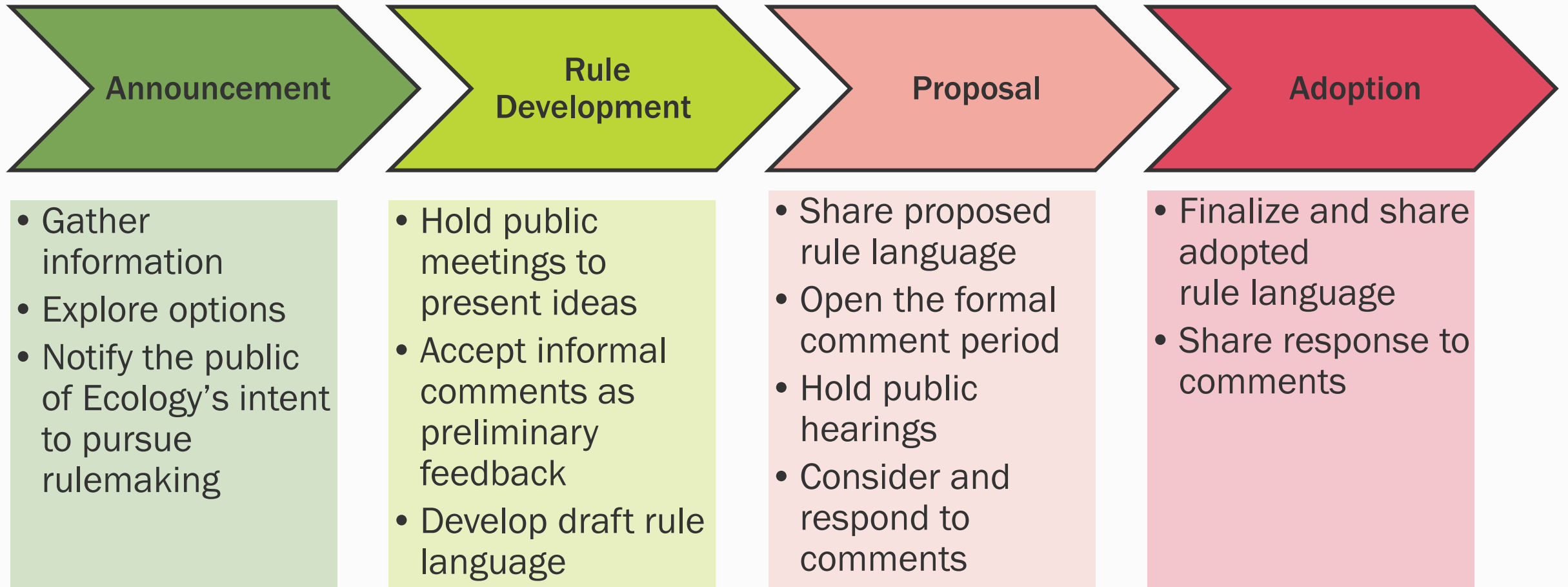
- Climate Commitment  
Act Program Rule  
(Chapter 173-446 WAC)
- Reporting of Emissions  
of Greenhouse Gases  
Rule (Chapter 173-441  
WAC)

## Rulemaking

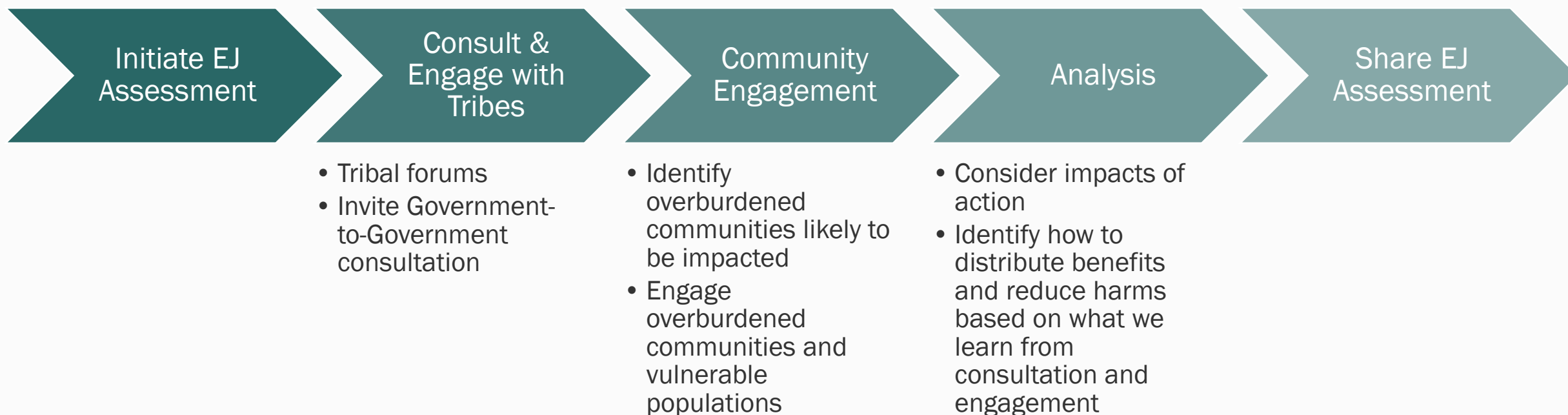
Administrative and public  
process for developing and  
adopting a rule

- Provide clear and  
understandable details  
for law implementation
- Help regulated  
communities understand  
requirements and know  
what to expect

# Rulemaking processes



# Environmental Justice Assessment







# Cap-and-Invest Program Updates and Linkage rulemaking

# What will the rulemaking do?

This rulemaking amends

- Climate Commitment Act Program Rule (Chapter 173-446 WAC)
- Reporting of Emissions of Greenhouse Gases (Chapter 173-441 WAC)

Amend these rules to:

- Implement CCA requirements
- Improve the program
- Facilitate linkage with California and Québec
- Implement three recent bills that amend the Climate Commitment Act related to:
  - Linkage - Senate Bill 6058 (2024)
  - Price containment - House Bill 1975 (2025)
  - Agricultural fuels - House Bill 1912 (2025)

# Goals of this rulemaking

- Reduce barriers for potential linkage
- Reduce administrative barriers to market participation
- Align Cap-and-Invest allowance budgets with new law (HB 1975)
- Increase market integrity through additional oversight by Ecology
- Account for developments within electricity sector



## Feedback so far

- Supporting linkage to California-Québec carbon market
- Continue to prioritize disproportionately impacted communities
- Use of Emissions Containment Reserve
- Keeping benefits of offset projects within Washington
- Increase Tribal engagement and consultation
- Clarity on electric utility allocation processes



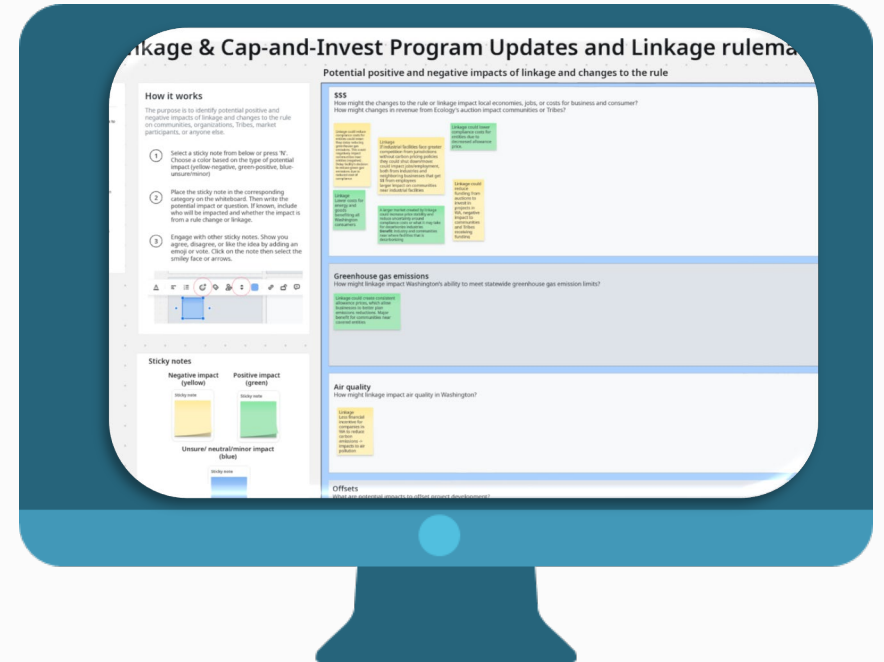
# Changes we've made

- Clarifying program requirements to increase opportunities for participation
- Updated rules related to offset credits for compliance:
  - Increase ability to use offset credits from projects on Tribal lands for compliance (SB 6058 – 2024)
  - Require that Tribal offsets used to fulfill the additional 3% and 2% of compliance obligations provide direct environmental benefits to Washington.
- Considering updates to electric utility allocation rules to better align with existing utility processes



# Whiteboard activity

1. What are potential impacts of rule changes and linkage to Tribes, communities, organizations, market participants, or anyone else?
2. How could Ecology reduce potential negative impacts or increase the benefits from rule changes or linkage for communities or Tribes?
3. Any other questions?







# Offsets – U.S. Forest protocol rulemaking



# Four offset protocols



U.S. Forest  
Protocol



Livestock  
Protocol



Urban Forest  
Protocol



Ozone Depleting  
Substances Protocol



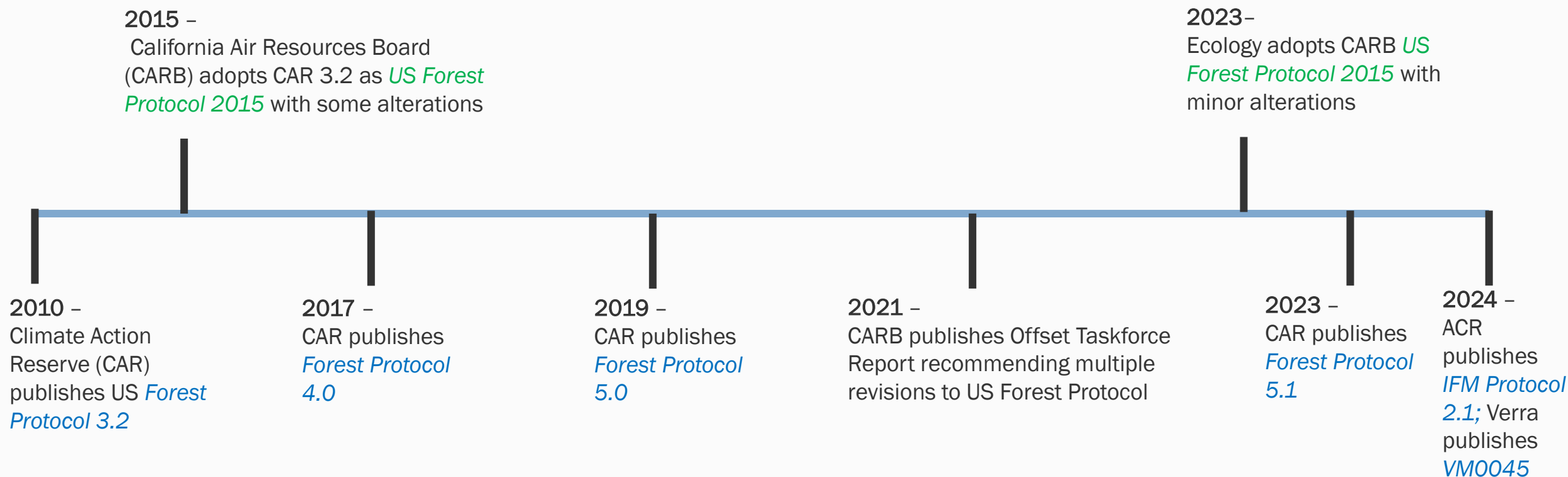
# Offset poll

Of the four offset protocols, which do you feel is the most relevant to you, your community, or communities you serve?

- Ozone Depleting Substances
- U.S. Forest
- Livestock
- Urban Forest



# Aligned efforts





# Progress to date

U.S. Forest Technical working group

July 2024 – Feb. 2025

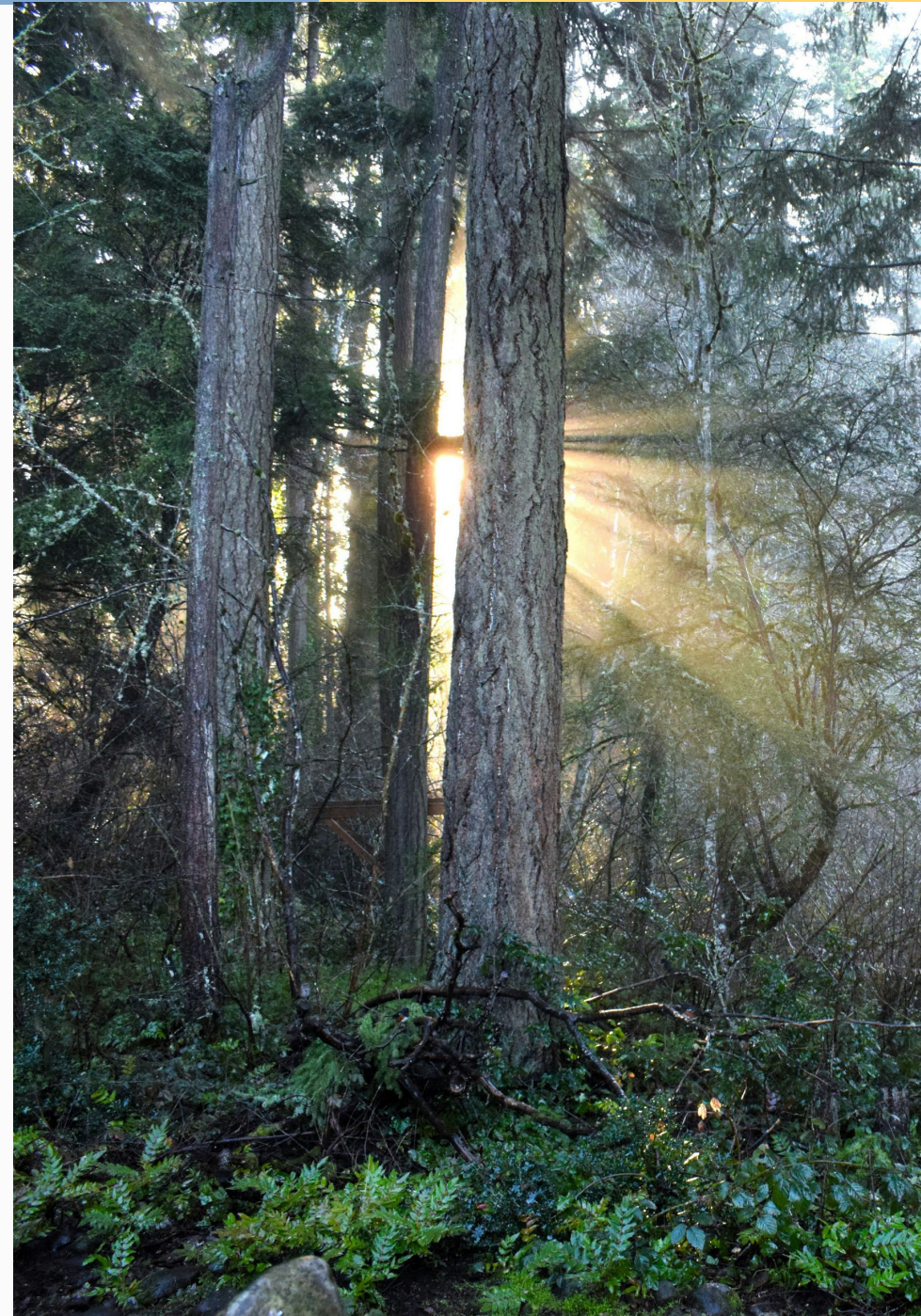
Environmental Justice Offset working group

Sept. 2024 – Aug. 2025

Publication of draft [considered revisions](#),  
[draft protocol](#), and [draft rule](#):

July 15, 2025

Additional resource: [July 24 public meeting](#)





# What are the goals of this rulemaking?

- Help smaller landowners get projects off the ground.
- Make it easier for less common projects and owners to succeed.
- Remove unnecessary barriers that have made projects harder to do.
- Make sure the rules work well for forests in Washington.
- Make the process more accurate and reliable.







# Feedback so far

- Support for project aggregation
- Update calculations in protocol
- Reflect local conditions of project areas
- Create more information transparency
- Concerns around impacts to industry jobs
- Improve website and communication



# Proposed changes we've made

- Change how carbon offset credits are calculated for Improved Forest Management projects
- Update fire and disease risk measurements to include local forest conditions in a project area
- Allow small projects to combine and enroll as a single "aggregate" to increase participation of smaller landowners



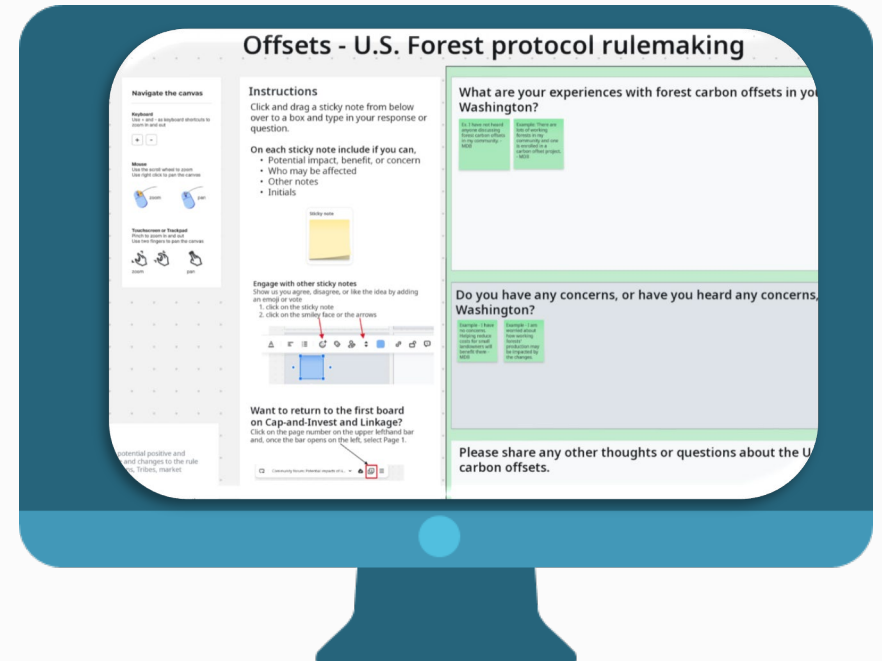




# Questions about offsets or U.S. Forest Protocol rulemaking

# Whiteboard activity

1. What are your experiences with forest carbon offsets in your community or in Washington?
2. What concerns do you have, or have you heard about forest carbon offsets in Washington?
3. How could we reduce potential negative impacts or increase the benefits on communities or Tribes through this rulemaking?
4. Please share any other thoughts or questions about the U.S. Forest protocol or forest carbon offsets.





# Provide written comment

## US Forest Protocol Offsets rulemaking

Closes Aug. 18, 2025 at 11:59 p.m.

## Cap-and-Invest Program Updates and Linkage rulemaking

Closes Aug. 23, 2025 at 11:59 p.m.

## Linkage agreement

Expected in late 2025 or 2026





# Closing questions

- How was the overall format and pace of discussion today?
- How could we improve engagement on the rulemakings and program policies?
- What other resources or information would be helpful to better understand the rulemakings or program policies?
- Anything else you would like us to know?



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Events for Tribal governments



Improving air quality in overburdened communities



# Additional links provided during presentation

[Auction market summary reports](#) - scroll down to 'Notices and reports' then 'Auctions and markets reports'

- The supply of allowances is noted in Table 2. Table 4 includes "auction data" that notes the total bids divided by allowances available for sale. This is one way to assess the demand for allowances at each auction.

## [Auctions & Market - Trainings & resources](#)

- details registration steps for the trading and auction platforms





# Thank you!

Further questions or comments?

Contact us at [CPRRulemaking@ecy.wa.gov](mailto:CPRRulemaking@ecy.wa.gov)



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