# Joint EITE Advisory Group meeting summary

Meeting notes for Thursday, May 29, 2025 | 10:00 a.m. – 12:00 p.m.
References: Zoom recording; Meeting presentation

## 1. Welcome and get settled

- 20 out of 33 advisory group members attended the meeting.
- The facilitator welcomed participants and introduced the facilitation team from Ross Strategic. The primary goals of the meeting were to present key findings from external research teams – Eastern Research Group (ERG) and Rocky Mountain Institute (RMI) – and to receive initial questions or comments on two new draft documents:
    - Document 3: Framework for assessing allocation methods
    - Document 4: Methods for allocation
- Members were reminded that interim feedback on the presented documents is due on the Monday after each advisory group meeting (June 9th for this meeting) and the final deadline for feedback will be September 3rd, 2025.

## 2. Guest presentations

**Rocky Mountain Institute (RMI): Decarbonization pathways** (presentation)

- RMI presented findings from their assessment of industrial decarbonization pathways in Washington. The presentation focused on:
    - *Stakeholder insights:* Based on 25 interviews with industry representatives, advocates, and other experts, RMI found strong support for energy efficiency as the most feasible near-term strategy. Participants emphasized the need for flexibility across sectors, highlighted infrastructure and electricity constraints as key barriers, and flagged policy uncertainty as a deterrent to investment.
    - *Technology pathways:* RMI analyzed decarbonization potential across four major technology categories – energy efficiency, electrification, alternative fuels (e.g., hydrogen), and carbon capture and storage (CCS) – and grouped them by short-, medium-, and long-term feasibility. The modeling showed that short-term reductions would primarily come from efficiency improvements, with more capital-intensive options like electrification and CCS becoming viable later. Refineries were identified as having the highest decarbonization potential.
    - *Cost and emissions modeling*: Using Department of Energy (DOE) marginal abatement cost curves and sector-wide emissions data, RMI estimated the total investment needed to meet industrial decarbonization goals would be approximately $3.7 billion. The analysis also modeled future EITE emissions under current policy trajectories, showing that by 2046, EITE emissions would exceed the statewide cap unless significant changes are made.
    - *Policy analysis and recommendations*: RMI evaluated several allocation approaches and identified sector-specific benchmarking with gradual post-2035 reductions as the most effective and equitable option. This method allows for differentiation based on each sector's decarbonization potential and aligns with overall Cap-and-Invest

targets. RMI also emphasized that deep decarbonization is technically achievable by 2050, but will require parallel investments in clean electricity generation, interconnection infrastructure, and enabling policy.

Q&A and Discussion

- *Comment:* A member raised concerns about the interpretation of RMI's electricity demand projections on Slide 9. They noted that the chart could misleadingly suggest that electricity demand decreases over time, when in fact, the chart is showing projected demand from industrial electrification. They recommended that RMI clarify the baseline and instead show total forecasted demand on the grid to provide proper context. They also questioned the marginal abatement costs shown on Slide 10, indicating that their team had different numbers and would follow up offline.
    - *RMI Response:* RMI acknowledged the feedback and agreed that the graph may need to be revised to better communicate demand growth. They welcomed the opportunity to follow up on the cost differences.
- *Comment:* Another member questioned the degree of certainty in RMI's decarbonization projections. They emphasized that, without direct facility-level assessments, it may be misleading to present fixed decarbonization targets for 2035. They suggested that RMI present a range of what is feasible based on variable inputs and circumstances.
    - *RMI Response:* RMI explained that the team used an average of available case study and literature data to offer a middle-ground scenario. While they acknowledged inherent uncertainty, the analysis aimed to reflect what could reasonably be achieved across sectors.
- *Comment/Question:* A member highlighted concerns about grid limitations. They stressed that transmission was not the only constraint – generation capacity is also a critical factor. They questioned how much variability RMI included in their modeling regarding electricity availability and whether a more flexible compliance trajectory might be needed. They also asked whether achieving decarbonization goals might require changes to state statutory targets if those timelines prove infeasible.
    - *RMI Response:* RMI confirmed that their model did not include generation expansion scenarios, acknowledging that this was a limitation of the analysis and a potential area for future work.
    - *RMI Response:* They also added that while generation modeling was out of scope, their recommendations include supportive policies and infrastructure investments. They reiterated that their proposed benchmarking approach was based on what they determined to be technically feasible and consistent with modeled decarbonization pathways.
- *Comment:* Another member added that some slides in RMI's presentation could give policymakers the impression that decarbonization is relatively easy and straightforward. They suggested being more explicit about challenges and variability in implementation.
    - *RMI Response:* RMI responded that they are aware of the risk of oversimplification and have included caveats in their forthcoming report. They emphasized that while their modeling shows technical feasibility, real-world adoption depends on a host of complex factors. They also shared a relevant RMI blog post: How to Slash Refinery Emissions Quickly in Washington State .
- *Question:* A member asked whether participants would have an opportunity to review a draft of RMI's full report before publication.

- *RMI Response:* RMI shared that stakeholders could submit feedback by **June 2**, and RMI would do its best to incorporate suggestions before finalizing the report.

**Eastern Research Group (ERG): Environmental justice and economic impacts of EITEs** (presentation)

- ERG shared early findings from their environmental justice and economic impact analysis. Key point included:
  - *Emissions and demographic context:* ERG mapped EITE-related emissions against state and local demographics and found that some counties, like Cowlitz, have high contributions to total emissions, including biogenic sources.
  - *Health benefits:* Using EPA's Co-Benefits Risk Assessment Tool (COBRA), ERG estimated that reducing EITE emissions by 6% by 2034 could result in approximately $34 million in public health benefits, mainly from avoided premature deaths due to reduced particulate pollution. Asthma reduction was noted as a significant health outcome, with King County showing the highest monetary benefit due to its population size.
  - *Economic impact modeling:* ERG used the economic impact analysis software, IMPLAN, to assess how purchasing allowances or investing in decarbonization might affect economic activity. Modeling included direct, indirect, and induced impacts to jobs, output, and tax revenue. Petroleum and manufacturing sectors were shown to face the greatest employment impact in modeled scenarios.
  - *Social cost of carbon:* ERG also estimated the avoided societal costs of climate damage from a 6% reduction in emissions. The analysis valued these benefits at $2.6 billion, accounting for impacts on agriculture, health, property damage, and ecosystem services.
  - *Industry profile deep dive:* ERG closed by profiling the pulp and paper industry in Washington, analyzing GDP contribution, state and international competition, and market position.

Q&A and Discussion

- *Comment:* Ecology clarified terminology used in the ERG slides, noting that the reference to "exemptions for EITEs" on one slide was meant to refer to leakage mitigation policies – not exemptions from compliance obligations in those carbon pricing programs.

## 3. Draft materials for discussion

- Ecology staff provided an overview of the two documents released on the morning of May 29th, which outlined a proposed framework and potential methods for allocating allowances to EITE facilities during the 2035–2050 period.
- Ecology explained that Document 3 presents a two-step assessment framework for identifying and evaluating viable policy options. Step one involves applying screening criteria to determine alignment with core program requirements. Step two compares viable options using standardized assessment criteria focused on leakage mitigation, decarbonization incentives, market functionality, and program clarity. Ecology noted that economic and environmental justice considerations will also be assessed, to the extent possible, once specific policy designs are developed.
- Document 4 outlines a range of potential policy options for future EITE allocation, organized around four key design goals: establishing a level playing field, targeting leakage risk, maintaining decarbonization incentives, and aligning with the overall cap. Additional options

include allowing smaller emitters to opt in and expanding the role of environmental justice in allocation design.
- Ecology requested feedback on whether the proposed framework addresses key considerations for EITE sectors and whether there are additional viable options that should be included.
- References:
    - Document 3: Framework for assessing methods for EITE allowance allocation
    - Document 4: Potential methods for allocating allowances to EITEs for 2035-2050

## 4. Member questions or initial comments on draft materials

- *Comment:* A member commented on the environmental justice analysis presented earlier in the meeting, particularly regarding the health section. They expressed concern that the analysis could conflate correlation with causation and encouraged a careful review of the underlying data. They noted that some facilities, such as those in King County, are relatively small contributors to emissions but might appear significant in the data.
    - *Ecology Response:* Ecology acknowledged these concerns and explained that they are working to better understand the specific impacts of EITE facilities, especially relative to other emission sources. They noted that other parallel efforts, particularly within Ecology's Air Quality Program, are also examining air pollution and environmental justice issues in overburdened communities.
    - *Comment:* The same member added that in previous uses of the Environmental Health Disparities Map, removing air quality as a factor did not change overburdened community boundaries, which raised questions about the relative weight of air quality in defining those communities.
    - *Ecology Response:* Ecology is trying to unpack these complexities and assess how environmental justice data applies to Washington's context.
- *Question:* A non-member added a question in the chat about whether Ecology had explored options to encourage EITE employers to retain or improve job quality.
    - *Ecology Response:* Ecology clarified that this issue falls outside the scope of the current analysis, which is focused specifically on allowance allocation policy, but welcomed any feedback stakeholders wished to provide.

## 5. Next Steps

- Ecology staff reminded members and attendees how to submit comments using the CCAEITEIndustries@ecy.wa.gov email and Public Comment Form. Although members are not required to provide written feedback, Ecology highlighted that the option is available.
- Interim feedback from members on the materials presented at the joint meeting is due the Monday following each advisory group meeting (June 9th for this meeting).
- The online public comment platform will close on September 3rd, 2025.
- Upcoming Meetings include:
    - EITE Joint Advisory Group meeting #3: June 26 from 10:00 a.m. to 12:00 p.m. (meeting link)
    - EITE Policy Advisory Group: July 2 from 9:00 a.m. to 11:00 p.m. (meeting link)
    - EITE Industries Advisory Group: July 3 from 9:00 a.m. to 11:30 a.m. (meeting link)

## 6. Public comment opportunity

- Facilitators made space for public comments and noted that members of the public may also provide written comments by email at CCAEITEIndustries@ecy.wa.gov.
- There were no public comments made during this meeting.

## Resources and Assistance

- Contact Adrian Young at CCAEITEIndustries@ecy.wa.gov
- EITE Industries Advisory Group webpage
- EITE Policy Advisory Group webpage
- Cap-and-Invest EITE webpage
- Public Comment Form