



Joint EITE Advisory Group meeting summary

Meeting notes for Thursday, July 24, 2025 | 10:00 a.m. – 12:00 p.m.

References: [Zoom recording](#); [Meeting presentation](#)

1. Welcome and get settled

- 24 out of 33 advisory group members attended the meeting.
- The facilitator welcomed participants and introduced the facilitation team from Ross Strategic and Ecology. The primary goals of the meeting were to provide updates on modeling scenarios for default EITE allowance allocation, environmental justice analysis, and economic and environmental impacts – and to provide an opportunity for clarifying questions or comments on [Document 6: Draft recommendations](#).
- Members were reminded that there is no interim deadline for written feedback following this meeting, unlike previous meetings. Written comments on Document 6 are due by September 3, 2025.
- Members were encouraged to continue reviewing Document 6 and to use the meeting as an opportunity to ask clarifying questions, offer feedback, and flag any areas where additional explanation or revisions may be needed.

2. Information sharing and updates

Default EITE Allocation: Illustrative scenarios

Ecology presented data inputs and initial assumptions being used to inform market analysis of default no-cost EITE allowance allocation and the program cap, including some illustrative scenarios to demonstrate how the data and assumption come together. Ecology indicate that the illustrative scenarios were not forecasts but tools to examine possible market dynamics under different assumptions.

Ecology noted that the exit and entry of EITE facilities will play a role in driving changes in the total volume of EITE allowance allocations each year and the five petroleum refineries are the main recipient of EITE allowance allocations and would therefore have an important influence on future EITE allowance allocation. Ecology also noted when the program started in 2023 total EITE allowance allocation was virtually the same as the total EITE covered emissions for EITEs

(see [slides 8-14](#)).

Q&A and Discussion

- *Comment:* An advisory member commented that if a refinery were to close, it would lead to fewer emissions and potentially more allowances becoming available.
 - *Ecology Response:* Ecology clarified that this analysis was not about leakage or decarbonization scenarios but about showing how production affects EITE allowance allocation and how it relates to the cap. If production declines, no-cost allocations also decline accordingly.
- *Question/Comment:* Another member questioned why Ecology distinguished allocations to refineries from other EITE sectors and noted that this could be perceived as singling out one

industry. They added the modeling might not reflect legislative intent, which was to collaborate with industry and possibly adjust baselines.

- *Ecology Response:* Ecology responded that the purpose was to highlight the proportional influence of refineries on total allowance allocation, not to forecast changes to production.

Overview of Eastern Research Group (ERG) final report

Ecology presented highlights from the [ERG report](#), commissioned by Ecology to evaluate the environmental justice and economic impacts associated with Washington's EITE sectors. The report examined how those impacts may change under CCA compliance.

Key findings included:

- In 2023, EITE facilities were responsible for 13.3% of Washington's greenhouse gas emissions.
- Using EPA's CO-Benefits Risk Assessment ([COBRA](#)) tool, ERG estimated health benefits from reduced emissions to range between \$34.4 million and \$50.2 million per year. King County was projected to experience the greatest health benefits due to its population density.
- EITEs contribute a small share of Washington's air pollution – just 0.8% of Particulate Matter (PM) 2.5 and 0.4% of PM 10 – compared to major sources like wildfires, wood burning, and road dust.
- ERG used IMPLAN modeling to estimate that EITE sectors contribute about \$73 billion annually to Washington's economy.
- The report included scenarios where EITEs could or could not pass CCA-related costs on to consumers. These scenarios assumed no change in industry behavior or investments.
- A market analysis of nine EITE sectors found their contribution to overall consumer value ranged from 0.15% to 3.69%.

Q&A and Discussion

- *Question:* A member asked whether ERG's analysis considered the lost opportunity for expansion of existing facilities or the potential for new industries choosing not to locate in Washington due to Cap-and-Invest policy impacts. They noted that the worst-case scenarios presented in the report seemed relatively modest.
 - *Ecology Response:* Ecology clarified that the analysis focused on current industries and did not attempt to model future facility siting or expansion, acknowledging that as a limitation.
- *Comment:* Another member raised concerns that ERG's assumption that 50% of CCA compliance costs could be passed on to consumers seemed too high for trade-exposed sectors. They noted that prices are generally set by global markets, not local compliance costs.
 - *Ecology Response:* Ecology acknowledged the assumption was a simplification to test impacts and agreed that context could be added to clarify the likelihood of this scenario.
- *Comment:* A member suggested adding percentages to emissions estimates in the report to help contextualize EITEs' contribution to criteria pollutants. They added that without this, EITEs might appear to be larger sources of air pollution than they are.

- *Ecology Response:* Ecology confirmed that EITEs are responsible for a relatively small share of those emissions and agreed that including context and comparative data is important.
- *Question:* One member asked via chat whether the estimated health benefits were annual or cumulative.
 - *Ecology Response:* Ecology clarified the estimate was for a single year: 2034.

Update on preliminary environmental justice evaluation

Ecology presented a preliminary environmental justice evaluation intended to inform the design of Washington's EITE no-cost allowance allocation policy. This evaluation responds to requirements in the CCA for Ecology to consider the impacts of allowance allocation on Tribes and overburdened communities, including both air quality and economic effects.

Key points included:

- **Revenue implications:** Increasing no-cost allowance allocations to EITE facilities reduces the number of allowances available for auction, which in turn limits the revenue that would otherwise be directed to Tribes and overburdened communities.
- **Air quality and emissions:** Ecology is tracking emissions from EITE facilities over time (including greenhouse gases and criteria pollutants) to evaluate impacts on air quality in surrounding communities. This is part of Ecology's statutory requirement to consider localized air pollution in overburdened communities when developing allowance allocation policies.
- **Tribal and community outreach:** Ecology is conducting outreach to Tribal nations and community-based/environmental organizations. Tribes and interested parties are encouraged to submit written comments by September 3, 2025.
- **Overburdened community criteria:** Census tracts are considered overburdened if they score highly on the [WA Environmental Health Disparities Map](#) and are recognized under federal screening tools, such as the Federal Climate and Economic Justice Screening Tool. Some of these tracts overlap with Tribal reservations.

Q&A and Discussion

- *Question:* A member asked whether proximity to Tribal lands is the reason those areas are being classified as overburdened.
 - *Ecology Response:* Ecology clarified that the framework includes census tracts that meet the overlapping thresholds noted above — not all Tribal reservations are included, but some that meet the criteria are. Ecology has reached out to all federally recognized Tribes and conducted specific outreach to Tribes within 15 miles of EITEs to understand how they may be impacted and solicit feedback.

3. Draft materials for discussion

- Ecology introduced [Document 6](#), which was released the morning of July 24 and outlines nine draft recommendations for allocating allowances to EITEs from 2035 to 2050 under Washington's Cap-and-Invest program.
- Document 6 supports Ecology's forthcoming report to the Legislature by building on the findings of prior documents (particularly Document 5) and incorporating feedback from

advisory group members. The draft recommendations are organized around four previously identified policy design considerations and are accompanied by a list of complementary policies that could potentially support decarbonization of EITE sectors alongside allowance allocation.

- The nine draft recommendations include:
 1. **Draft Recommendation 1.1** – The Legislature should maintain Ecology’s authorization to provide no-cost allowances to EITEs from 2035 onwards provided it aligns with program objectives, allowance budgets, and emissions limits.
 2. **Draft Recommendation 1.2** – Ecology should monitor developments in carbon pricing policies in key jurisdictions and relevant federal policies as part of periodic program evaluations, including developments in carbon border adjustment mechanisms or alternative policies to address leakage risk.
 3. **Draft Recommendation 2.1** – Ecology should develop an objective approach for assessing leakage risk for EITEs in Washington and assess the impacts of implementing an assistance factor that targets allowance allocation based on this objective approach.
 4. **Draft Recommendation 2.2** – Ecology should assess the implementation requirements and impacts of providing no-cost allowances to EITEs for addressing leakage risk associated with purchased electricity.
 5. **Draft Recommendation 3.1** – Ecology should assess the implementation requirements and impacts of adopting product-based benchmarks or alternative methods for establishing allocation baselines for EITE allowance allocation.
 6. **Draft Recommendation 3.2** – Ecology should assess the implementation requirements and impacts of using consignment to require EITEs to invest some of the value of their no-cost allowances in decarbonization projects.
 7. **Draft Recommendation 4.1** – Ecology should assess the policy design requirements and impacts of implementing a cap adjustment factor to ensure EITE allowance allocation aligns with program allowance budgets and net-zero emissions limits.
 8. **Draft Recommendation 4.2** – Ecology should assess at least one alternative policy option that would achieve a similar outcome as a cap adjustment factor.
 9. **Draft Recommendation 5.1** – Ecology should assess the environmental justice and economic impacts of proposed policy options in the draft recommendations and interactions with existing CCA policies.
- References: [Document 6: Draft recommendations](#)

4. Member questions or initial comments on draft materials

- *Question:* A member asked whether the first draft recommendation (retaining the current policy of providing no-cost allowances) was foundational, and if the rest were optional layers or additions.
 - *Ecology Response:* Ecology responded that it is recommending continuation of the current allowance allocation policy, while the other recommendations identify areas that require additional exploration. The goal is not to finalize implementation details in the report but to identify a path for further refinement.
- *Question:* Another member asked whether Ecology would need legislative authority to pursue the other recommendations.

- *Ecology Response:* Ecology confirmed that implementing many of the policy options presented go beyond its current statutory authority, so the agency is seeking legislative support to further evaluate or act on them.
- *Question:* Another member asked how Ecology defines “economic harm,” noting that it could include rising electricity costs or other impacts to competitiveness and expressed concern that the definition may be too narrow.
 - *Ecology Response:* Ecology responded that the agency was following its mandate to assess best practice policies to mitigate leakage and economic harm, and welcomed feedback on how the term should be defined.
 - *Member Response:* The member reiterated that their recommendation is to broaden the definition to include other competitive and operational impacts. They also emphasized that companies like Boeing have allocation baselines based on absolute emissions, not emissions intensity, and urged Ecology to consider this distinction in its analysis.
 - *Ecology Response:* Ecology acknowledged that this comment relates to allocation baselines and agreed that it needs to be clarified.
 - *Member Response:* The member concluded by requesting more time for the Industries Advisory Group to refine and iterate on its feedback before the report is finalized.
- *Question:* Another member asked whether Ecology had considered incentive-based approaches (carrots) rather than penalty-based approaches (sticks). They expressed concern that many of the proposals resemble penalties, which could disadvantage Washington companies facing international competition.
 - *Ecology Response:* Ecology explained that the current mandate is focused specifically on the Cap-and-Invest program and the policy settings for no-cost allowance allocation. Incentives beyond this scope were not part of the evaluation, but feedback on the value of incentives is welcome.
 - *Member Response:* The member advocated that real incentives are critical, especially for industries that cannot pass on compliance costs to consumers. Without meaningful support, domestic producers risk being undercut by international competitors.

5. Next Steps

- Ecology staff reminded members and attendees how to submit comments using the CCAETEIndustries@ecy.wa.gov email and [Public Comment Form](#). Although members are not required to provide written feedback, Ecology highlighted that the option is available.
- There is no interim deadline for written feedback following this meeting
- The online public comment platform will close on September 3rd, 2025.
- Upcoming Meetings include:
 - EITE Policy Advisory Group meeting: July 30 from 9:00 to 11:00 a.m. ([meeting link](#))
 - EITE Industries Advisory Group: July 31 from 9:00 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 CCAETEIndustries@ecy.wa.gov.
- There were no public comments made during this meeting.

Resources and Assistance

1. Contact Adrian Young at CCAIEITEIndustries@ecy.wa.gov
2. [EITE Industries Advisory Group webpage](#)
3. [EITE Policy Advisory Group webpage](#)
4. [Cap-and-Invest EITE webpage](#)
5. [Public Comment Form](#)