

# Focus on: Ecology's role in the Climate Commitment Act



## Reducing greenhouse gases can't wait

Climate change poses an urgent threat to Washington's water supplies, coastlines, forests, and economy. To address this threat, the 2020 Washington Legislature adopted new greenhouse gas emissions limits in RCW 70A.45.020:

- 2020 – Emissions to equal 1990 levels of 90.5 million tons of carbon dioxide.
- 2030 - Reduce emissions 45% below 1990 levels.
- 2040 - Reduce emissions 70% below 1990 levels.
- 2050 - Reduce emissions 95% below 1990 levels and achieve net zero emissions.

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## Implementing a comprehensive approach to reducing greenhouse gases

Gov. Jay Inslee has proposed a bold package of climate policies and investments for the 2021-2023 biennium to curb carbon pollution in Washington and prevent the impacts that climate change will have on our state ([www.governor.wa.gov/sites/default/files/ClimateBrief-Dec2020.pdf](http://www.governor.wa.gov/sites/default/files/ClimateBrief-Dec2020.pdf)).

A key component of Governor Jay Inslee's 2021 climate policy priorities is the Climate Commitment Act. The Act caps and reduces greenhouse gas emissions from the state's largest emitting industries to help meet the statewide greenhouse gas limits while giving companies flexibility to meet limits at the lowest cost. The Act also invests in community and ecosystem resilience to the effects of climate change and puts environmental justice and equity at the center of climate policy.

Under the Act, the Department of Ecology is charged with developing rules to implement a declining cap on carbon emissions, including mechanisms for the sale and tracking of tradable emissions allowances, along with compliance and accountability measures. Ecology is also authorized to design the rules to allow for linkage of the program with similar programs in other jurisdictions.

## Details

### Establishing an emissions cap

- Ecology will create a cap by setting emissions allowance budgets that meet the greenhouse gas limits in RCW 70A.45.020 (see sidebar)
- The carbon cap program starts January 1, 2023, initially covering industrial facilities, certain fuel suppliers, and in-state electricity

## Washington's climate policies

In recent years, Washington State has taken aggressive action to reduce greenhouse gas emissions and address the damage climate change will cause to our state. However, the latest research shows that we need to reduce emissions more – and to do it faster – if we are to limit this damage. Major recent climate policies include:

### 2020

#### **Zero emission vehicles**

**standard** - Requires that an increasing percentage of new vehicle sales in Washington every year be electric or zero-emission.

#### **Greenhouse gas emissions**

Sets new emission limits for 2030, 2040 and 2050.

### 2019

#### **Clean Energy**

##### **Transformation Act**

Requires utilities to use only renewable and non-emitting electricity sources by 2045.

#### **Hydrofluorocarbons**

Phases out major uses of hydrofluorocarbons, which are potent greenhouse gases.

#### **Greenhouse Gas Emissions Evaluation**

Gov. Inslee directed Ecology to develop rules to strengthen and standardize greenhouse gas analyses in environmental assessments for major projects.

generators with greenhouse gas emissions exceeding 25,000 metric tons of carbon dioxide equivalent.

- On January 1, 2027, the program adds electricity imports from out-of-state, natural gas distributors, and a broader group of fuel suppliers.

### Allowances

- Covered entities must obtain allowances to cover their emissions.
- Allowances will decrease over time consistent with Washington's statutory greenhouse gas emissions limits.
- Some utilities and industries will be issued free allowances, other allowances will be auctioned.
- Proceeds from the auction of allowances must be used for clean energy transition and assistance, clean transportation, and climate resiliency projects that promote climate justice.

### Offsets

- Covered entities can meet up to 8% of their obligations with offsets through 2027, and 6% thereafter.
- Offset projects must be certified by a recognized registry, must be located in the U.S., or in a jurisdiction with a linkage agreement with the state; and must result in greenhouse gas reductions that are real, permanent, quantifiable, verifiable, and enforceable.

## Budget impacts

The Governor's budget includes \$12.2 million in funding for the Washington Department of Ecology to implement the Act.

Funding is provided for development, oversight, and implementation of the new carbon market program, including compliance and enforcement, technical assistance, information technology work, data collection, emissions reporting and market monitoring.

The Act establishes a Climate Investment Account to invest proceeds from the sale of allowances toward investments that support clean transportation, natural climate resilience solutions, clean energy transition and assistance, and emissions reduction projects. Significant investments from the account must be directed toward eliminating environmental harm and economic and health disparities for vulnerable populations and overburdened communities.

## Special accommodations

To request ADA accommodation including materials in a format for the visually impaired, call Ecology at 360-407-6831 or visit <https://ecology.wa.gov/accessibility>. People with impaired hearing may call Washington Relay Service at 711. People with speech disability may call TTY at 877-833-6341.