

# Climate Commitment Act

Focus on Environmental Justice

The Climate Commitment Act (CCA) is designed to ensure that the benefits of the Cap-and-Invest Program are felt across Washington, with a focus on addressing environmental justice concerns.

### Improving Air Quality in Overburdened Communities

In addition to reducing greenhouse gases under the Cap-and-Invest Program, the CCA also directs Ecology to reduce "criteria" air pollutants in overburdened communities highly impacted by air pollution. They are six air pollutants known to harm human health and the environment: carbon monoxide, lead, nitrogen dioxide, ozone, particle pollution, and sulfur dioxide.



Under this <u>Improving Air Quality in Overburdened Communities Initiative</u>,<sup>2</sup> we have identified 16 areas of the state containing multiple overburdened communities, neighborhoods, and towns that are highly impacted by criteria air pollution. How we selected these areas for participation is explained in an Overburdened Communities Highly Impacted by Air Pollution StoryMap.<sup>3</sup>

Improving air quality in these communities will happen in stages over multiple years. Currently, we are engaging with community members and leaders, local and state environmental justice organizations, as well as Tribes, as we expand Washington's air monitoring network to gather more scientific data. This input and data will help inform a new overburdened communities grant program, to begin issuing awards in 2025, and help us start work on stricter air quality standards for the 16 overburdened communities. We regularly report to the Washington Environmental Justice Council on our progress and integrate their input and guidance.

We will issue reports every two years about the air pollution, greenhouse gas emissions, and health impacts in each community and will reevaluate the list of communities every six years. The <u>first report</u><sup>4</sup> was published in December 2023.

#### **Air Pollution from Industrial Facilities**

The CCA also directs us to consider air quality in overburdened communities when making decisions about new industrial facilities classified as emissions-intensive and trade-exposed (EITE).<sup>5</sup> New EITE facilities covered under the Cap-and-Invest program must mitigate their impact on particle pollution in overburdened communities.<sup>6</sup>

<sup>&</sup>lt;sup>1</sup> RCW 70A.65.020

<sup>&</sup>lt;sup>2</sup> https://ecology.wa.gov/Air-Climate/Climate-Commitment-Act/Overburdened-communities

<sup>3</sup> https://storymaps.arcgis.com/stories/c10bdbfc69984a9d85346be1a23f6338

<sup>&</sup>lt;sup>4</sup> https://apps.ecology.wa.gov/publications/UIPages/SummaryPages/2302115.html

<sup>&</sup>lt;sup>5</sup> RCW 70A.65.110(2), and WAC 173-446-220(1)(b)(iv)(A)

<sup>&</sup>lt;sup>6</sup> RCW 70A.65.020(3)

### **Restricting the Use of Offset Credits**

The Cap-and-Invest Program allows emitters to cover a portion of their emissions – up to 8% – with offset credits<sup>7</sup> from qualified projects. These offset credits are "under the cap," meaning that Ecology reduces the number of available allowances by the number of offset credits used for compliance in order to keep Washington on track to meet its 2030, 2040, and 2050 emissions limits.<sup>8</sup>

To maximize their use of offset credits, an emitter must include offset credits from projects on Tribal lands. For example, in the first compliance period an emitter can cover up to 8% of their emissions with offset credits as long as at least 3% are from projects on Tribal lands. To support federally recognized Tribes looking to develop offset projects on Tribal lands, the Washington Legislature appropriates \$5 million per biennium to fund a grant program for Tribal offset project feasibility assessments.<sup>9</sup>

The CCA also gives Ecology authority to reduce the number of offset credits a specific industrial facility can use if it is determined, after receiving input from the Environmental Justice Council, that the company has or is likely to: "contribute substantively to cumulative air pollution burden in an overburdened community" or violate any air pollution permits.<sup>10</sup>

## **Funding for Tribes and Overburdened Communities**

The CCA established three primary accounts to house <u>Cap-and-Invest auction</u> <u>proceeds</u><sup>11</sup> until they are appropriated for specific projects by the Legislature.

- The Carbon Emissions Reduction Account funds projects that increase access to public transportation and reduce transportation sector emissions.
- The Climate Investment Account funds projects that support increasing climate resiliency in Washington communities and ecosystems.
- The Air Quality and Health Disparities Improvement Account funds projects to expand air quality monitoring and develop and implement strategies to reduce health disparities in overburdened communities highly impacted by air pollution.

While the Legislature is responsible for selecting which types of projects are funded, the CCA does include some specific requirements that ensure the benefits of this program are enjoyed by all of Washington. The CCA requires that a minimum of 35%, with a goal of 40%, of auction proceeds be used for projects that provide a direct benefit to vulnerable populations within overburdened communities.<sup>12</sup> In addition, 10% of auction funds must be used for projects with Tribal support.

Separately, Ecology administers two grant programs for Tribes through the CCA. The <u>Tribal Consultation Grants</u><sup>13</sup> provide support for federally recognized Tribes with lands and territories in Washington State to engage in the consultation process on CCA funding decisions and clean energy siting studies.

Carbon Emissions
Reduction Account

For projects that reduce emissions from the transportation industry and increase access to public and alternative transportation.

## Climate Investment Account

For the administration of the CCA and for projects that support the transition to clean energy, ecosystem resilience, and carbon

sequestration.

Air Quality & Health Disparities Improvement Account

For projects that help identify and reduce criteria pollutants and health disparities in overburdened communities highly impacted by air pollution.

<sup>&</sup>lt;sup>7</sup> https://ecology.wa.gov/air-climate/climate-commitment-act/cap-and-invest/offsets

<sup>&</sup>lt;sup>8</sup> RCW 70A.65.170(5)(a)

<sup>&</sup>lt;sup>9</sup> RCW 70A.65.180(2)

<sup>&</sup>lt;sup>10</sup> RCW 70A.65.170(3)(d)

<sup>&</sup>lt;sup>11</sup> https://ecology.wa.gov/air-climate/climate-commitment-act/auction-proceeds

<sup>&</sup>lt;sup>12</sup> RCW 70A.65.230

<sup>&</sup>lt;sup>13</sup> https://ecology.wa.gov/tribal-consultation-grants

So far, \$20 million has been awarded to Tribes through this grant program.

The <u>Tribal Carbon Offset Assistance Grants</u><sup>14</sup> assist federally recognized Tribes with lands and territories in Washington State in designing, assessing, and implementing carbon offset projects on Tribal lands. \$7.5 million has been awarded to Tribes through this program to date.

### **Environmental Justice Council Engagement**

The Healthy Environment for All (HEAL) Act established a statewide Environmental Justice Council <sup>15</sup> to advise agencies on incorporating environmental justice into agency activities. The CCA specifically directs the Environmental Justice Council to provide recommendations to the Governor, the Legislature, and agencies in the development, implementation, and evaluation of the Cap-and-Invest Program and programs funded by the CCA. <sup>16</sup> This includes providing recommendations on air pollution reduction goals and funding programs to provide environmental and health benefits to overburdened communities. In addition, the Environmental Justice Council provides agencies with recommendations for meaningful community engagement.

### **Environmental Justice Assessments and Accountability**

The HEAL Act requires that Ecology and other state agencies complete an Environmental Justice Assessment before implementing significant agency actions—such as developing new grant programs, rules, and legislation. The CCA separately requires that Ecology complete an Environmental Justice Assessment before linking carbon markets<sup>17</sup> with other jurisdictions. The purpose of an Environmental Justice Assessment is to "support the agency's consideration of overburdened communities and vulnerable populations when making decisions and to assist the agency with the equitable distribution of environmental benefits, the reduction of environmental harms, and the identification and reduction of environmental and health disparities." <sup>18</sup>

Ecology is required to provide the Legislature and the public with an annual report detailing how auction funding is spent. In addition, any agency receiving CCA funding must provide a report to the Environmental Justice Council documenting progress toward environmental justice and health equity goals.

#### **Contact Information**

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#### Accessibility

To request an ADA accommodation, contact Ecology by phone at 564-233-1572 or email at <a href="mailto:Emily.Powers@ecy.wa.gov">Emily.Powers@ecy.wa.gov</a>, or visit <a href="https://ecology.wa.gov/accessibility">https://ecology.wa.gov/accessibility</a>. For Relay Service or TTY call 711 or 877-833-6341.

## Language services

We offer free language services about our programs and services for people whose primary language is not English. To request translation or an interpreter contact <a href="mailto:CCAQuestions@ecy.wa.gov">CCAQuestions@ecy.wa.gov</a>

<sup>&</sup>lt;sup>14</sup> https://ecology.wa.gov/tribal-carbon-offset-assistance-program

<sup>15</sup> https://waportal.org/partners/environmental-justice-council

<sup>&</sup>lt;sup>16</sup> RCW 70A.65.040

<sup>&</sup>lt;sup>17</sup> cca.wa.gov/linkage

<sup>&</sup>lt;sup>18</sup> RCW 70A.02.060