



Concise Explanatory Statement Chapter 173-446B WAC Climate Commitment Act Funds Reporting

Summary of Rulemaking and Response to Comments

Washington State Department of Ecology

Olympia, Washington

October 2024, Publication 24-14-067

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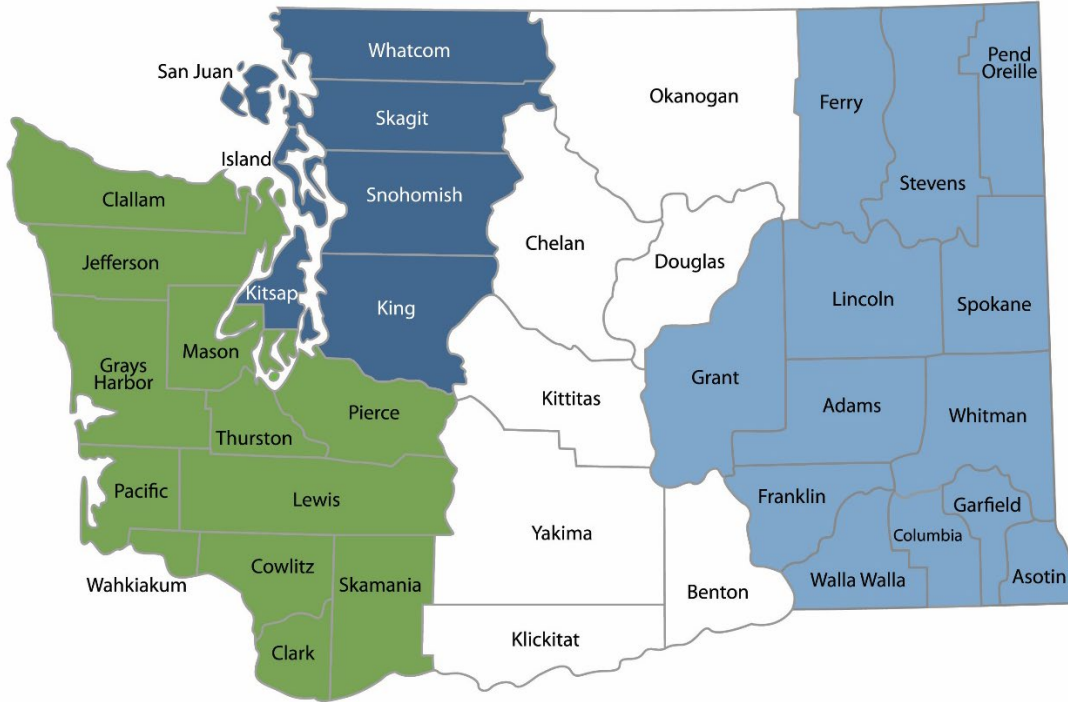
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Department of Ecology's Regional Offices

Map of Counties Served



Southwest Region 360-407-6300	Northwest Region 206-594-0000	Central Region 509-575-2490	Eastern Region 509-329-3400
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Region	Counties served	Mailing Address	Phone
Southwest	Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Mason, Lewis, Pacific, Pierce, Skamania, Thurston, Wahkiakum	PO Box 47775 Olympia, WA 98504	360-407-6300
Northwest	Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom	PO Box 330316 Shoreline, WA 98133	206-594-0000
Central	Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan, Yakima	1250 W Alder St Union Gap, WA 98903	509-575-2490
Eastern	Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman	4601 N Monroe Spokane, WA 99205	509-329-3400
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Concise Explanatory Statement

Chapter 173-446B WAC Climate Commitment Act Funds Reporting

Climate Pollution Reduction Program
Washington State Department of Ecology
Olympia, WA

October 2024 | Publication 24-14-067



DEPARTMENT OF
ECOLOGY
State of Washington

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Introduction

The purpose of a Concise Explanatory Statement is to:

- Meet the Administrative Procedure Act (APA) requirements for agencies to prepare a Concise Explanatory Statement (RCW 34.05.325).
- Provide reasons for adopting the rule.
- Describe any differences between the proposed rule and the adopted rule.
- Provide Ecology's response to public comments.

This Concise Explanatory Statement provides information on the Washington State Department of Ecology's (Ecology) rule adoption for:

Title:	Climate Commitment Act Funds Reporting
WAC Chapter(s):	173-446B
Adopted date:	October 8, 2024
Effective date:	November 8, 2024

To see more information related to this rulemaking or other Ecology rulemakings please visit our website: <https://ecology.wa.gov/About-us/How-we-operate/Laws-rules-rulemaking>

Reasons for Adopting the Rule

The Cap-and-Invest Program, established under the Greenhouse Gas Emissions – Cap and Invest Program law (Chapter 70A.65 RCW) and implemented through the Climate Commitment Act Program rule (Chapter 173-446 WAC; “CCA rule”), establishes a greenhouse gas emissions trading market intended to help meet the state’s emission limits specified in RCW 70A.45.020. Auction revenues are collected in accounts created by the CCA law, and are appropriated by the state Legislature.

The Climate Commitment Act (CCA) also requires Ecology to adopt a rule to establish reporting requirements for recipients of funding from the CCA accounts so Ecology can prepare annual reports to the state Legislature.

Differences Between the Proposed Rule and Adopted Rule

RCW 34.05.325(6)(a)(ii) requires Ecology to describe the differences between the text of the proposed rule, as published in the Washington State Register, and the text of the rule as adopted, other than editing changes, stating the reasons for the differences.

There are some differences between the proposed rule filed on April 23, 2024 and the adopted rule filed on October 8, 2024. Ecology made these changes for all or some of the following reasons:

- In response to comments we received.
- To ensure clarity and consistency.
- To meet the intent of the authorizing statute.

The following content describes the changes and Ecology’s reasons for making them.

Rule Changes		
Section	Change	Reason for Change
173-446B-010(2)	Added “[report]ing requirements set forth in this chapter are adopted to comply with RCW 70A.65.300, which requires that the report include” and removed “is required to identify”	Change was made to make it clear that the purpose of the introduction section of the rule is to lay out statutory requirements, not to introduce regulations.
173-446B-010(3)	Added “RCW 70A.65.300 further requires that” and removed “must also”	Change was made to make it clear that the purpose of the introduction section of the rule is to lay out statutory requirements, not to introduce regulations.

Rule Changes		
Section	Change	Reason for Change
173-446B-020(1)	Edits are to the definition of the term “appropriation”: removed “a single line item of” and added “for a specific purpose”	Change was made to add clarity to the definition of the term “appropriation.”
173-446B-020(1)	Edits are to the definition of the term “appropriation;” removed the word “omnibus” in three places	Change was made to ensure clarity about the applicable budgets.
173-446B-040	Removed the word “whether;” added “quantity of greenhouse gas emissions projected to be reduced;” removed “funding will produce any verifiable reduction in greenhouse gas emissions or other long-term impact to emissions”	Change was made to ensure that for all expenditures, recipients report on whether they expect there to be verifiable emissions reductions or other long-term impacts to emissions.
173-446B-040(1)	Removed “whether an expenditure is expected to produce any verifiable reduction in greenhouse gas emissions or other long-term impact to emissions;” added “the quantity of greenhouse gas emissions projected to be reduced;” removed “or other long-term impact to emissions”	Change was made to ensure that recipients report on whether they expect there to be verifiable emissions reductions or other long-term impacts to emissions for all expenditures.
173-446B-040(2)	Removed “that are not required to report whether the funding will produce any verifiable reduction in the projected quantity of reduced greenhouse gas emissions or other long-term impact to emissions;” added “for which recipients are not required to report the quantity of greenhouse gas emissions projected to be reduced”	Change was made to ensure that recipients report on whether they expect there to be verifiable emissions reductions or other long-term impacts to emissions for all expenditures.
173-446B-050(1)(g)	Added “provides or”	Change was made to make it clear that direct and meaningful benefits that are expected to occur may be reported.
173-446B-050(1)(g)(i)	Added “are or”	Change was made to make it clear that direct and meaningful benefits that are expected to occur may be reported.

173-446B-050(1)(g)(ii)	Added “is or”	Change was made to make it clear that direct and meaningful benefits that are expected to occur may be reported.
173-446B-050(1)(j)(i)	Changed “projected quantity of reduced greenhouse gas emissions (carbon dioxide equivalent) to be produced” to “quantity of greenhouse gas emissions (carbon dioxide equivalent) projected to be reduced”	Change was made to increase clarity and readability.
173-446B-050(2)(j)(i)	Changed “projected quantity of reduced greenhouse gas emissions (carbon dioxide equivalent) to be produced” to “quantity of greenhouse gas emissions (carbon dioxide equivalent) projected to be reduced”	Change was made to increase clarity and readability.
173-446B-050(2)(g)	Added “provides or”	Change was made to make it clear that direct and meaningful benefits that are expected to occur may be reported.
173-446B-050(1)(g)(i)	Added “are or”	Change was made to make it clear that direct and meaningful benefits that are expected to occur may be reported.
173-446B-050(1)(g)(ii)	Added “is or”	Change was made to make it clear that direct and meaningful benefits that are expected to occur may be reported.
173-446B-050(4)	Removed “information must;” added “summary may also”	Change was made to create more flexibility for the types of reporting provided by agencies that voluntarily conduct ongoing tracking and monitoring.

173-446B-050(5)	Removed “funding expenditures with appropriations from the climate investment account established in RCW 70A.65.250 must additionally;” added “may;” added “[the]ir;” removed “funded by the appropriation”	Change was made to make reporting on job quality and quantity optional for expenditures from all CCA accounts, rather than required for expenditures from a single account.
173-446B-060	Removed “emissions reductions” and “from;” added “the quantity of greenhouse gas emissions projected to be reduced by”	Change was made to align with changes in 173-446B-040.
173-446B-060(1)(a)	Added “the projected quantity of reduced greenhouse gas;” removed “reductions”	Change was made to align with other sections of the rule.
173-446B-060(3)	Removed “emissions reductions;” added “a verifiable reduction in greenhouse gas emissions or other long-term impact to emissions”	Change was made to align with other sections of the rule.

List of Commenters and Response to Comments

Comments are grouped by affiliation type (State Legislature, Washington State agency, local government agency, or non-governmental organization). Comments are summarized and responses are provided for each comment.

Affiliation Type	Affiliation (if applicable)	Comment Number	Last Name	First Name
State Legislature	Washington State Senate	1	Short	Shelly
Washington State Agency	Washington State Department of Transportation (Rail, Freight, and Ports Division)	2	Haberkorn	Rebecca
	Washington State Department of Transportation	3	Olds	Jonathan
	State of Washington Environmental and Land Use Hearings Office	4	Soliz	Dominga
	Washington State Recreation and Conservation Office	5	Norton	Nicholas
	Washington State Department of Natural Resources	6,7	Favorini-Csorba	Csenka
	Puget Sound Partnership	8	Gourlie	Don
Local Government Agency	Benton-Franklin Health District	9	Howard	Jack
Non-Governmental Organization	Front and Centered	10,11	Diaz	Davin
	The Nature Conservancy	12	Rubenstein	Joshua
	Washington Conservation Action	13	Pelach	Bryan
	Climate Solutions	14	Karasapan	Altinay

Response to Comments

Comments are grouped and organized based on the affiliation of the commenter.

I. State Legislature

Comment Number: 1

Commenter: State Senator Shelly Short

Affiliation: Washington State Legislature (Senate)

Comment Summary:

The commenter noted their appreciation for Ecology's efforts to center the tracking of emissions reductions in the rule.

The commenter expressed concern about Ecology's decision to exempt recipients from reporting greenhouse gas emissions reductions for some expenditure types. They encouraged Ecology to adopt a rule that requires recipients to report emissions reductions from all expenditure types, even if reporting shows that emissions reduction did not result from the funding, so that the Legislature has sufficient data to determine whether CCA funds are being spent wisely.

The commenter expressed concern about Ecology's statewide greenhouse gas emissions inventory and lawmakers' current lack of access to emissions data beyond calendar year 2019.

Response to Comment:

Ecology made a rule change based on the commenter's concerns about exemptions for reporting on greenhouse gas emissions reductions. Instead of creating exemptions for reporting on *whether* expenditures will result in emissions reductions, the rule now requires this reporting for all expenditures, but creates exemptions for reporting on *the quantity* of emissions reduced for some expenditures. Ecology chose to exempt recipients from reporting on the quantity of emissions reduced for some expenditure types because not all funded projects are intended to result in emissions reductions. Through the CCA law and subsequent budgets, the Legislature has expressly authorized spending on project types that are not expected to result in emissions reductions, including climate resiliency projects and projects to increase air quality monitoring in overburdened communities. Additionally, by creating this reporting exemption, Ecology has lessened the administrative burden for reporting agencies. After considering alternatives and completing a Least-Burdensome Alternative Analysis, within the context of the goals and objectives of the authorizing statute, we determined that the adopted rule represents the least-burdensome alternative of possible rule requirements meeting the goals and objectives of the CCA.

Every two years Ecology publishes the greenhouse gas inventory, which estimates total statewide emissions and measures emissions reductions compared to a 1990 baseline. This tool shows us how we're doing compared to our legal emissions limits and which sectors of the economy are making the most progress. The inventory mostly uses data we receive from the U.S. Environmental Protection Agency (EPA), along with some data

from the Washington Department of Commerce. The next inventory will be published in December 2024 and will include data through 2021.

Ecology is taking steps to improve the timeliness of the inventory by building a team identifying and collecting in-state data that can replace the data we currently receive from the EPA. However, it's also worth noting that we often know a lot about emissions trends before the next inventory is released as its various data sources become available. For instance, we already know that wind and solar power generation in Washington set records in 2020 and 2021.

II. Washington State Agencies

Comment Number: 2

Commenter: Rebecca Haberkorn

Affiliation: Washington State Department of Transportation (Rail, Freight, and Ports Division)

Comment Summary:

The commenter posed the following questions:

- Would it be more in keeping with the intent of the CCA legislation to give equal weight to planning projects and construction projects (rather than tailoring our grant program to favor construction/ implementation projects over planning projects)?
- When a project is still under construction and environmental benefits are anticipated but not yet realized, what are the reporting requirements for that annual cycle?
- Will Ecology provide a calculator tool (similar to the tools developed by the California Air Resources Board (CARB)) for agencies to use to report in a consistent way?

The commenter noted that agency staff administering grant programs cannot guarantee that at least 35% of the funding will go to projects that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities because they do not control which entities apply for grant funding and where these entities are located.

The commenter asked for clarification about how and when subrecipients must provide data and about whether Ecology will develop a standard reporting format for subrecipients, stating that having this information would assist with their contract process.

The commenter inquired about the duration period for how many years in a row annual reporting is expected to continue. They explained that environmental benefits and carbon reduction totals may change over time, and stated that an answer to this question will help them inform funding recipients of how long they will need to report this information.

Response to Comment:

Ecology is not able to provide specific guidance on the types of projects funded by recipients. Recipients are responsible for ensuring their expenditures comply with applicable legal requirements such as budget provisos and the minimum distribution percentages set forth in RCW 70A.65.030 and 70A.65.230. The CCA requires Ecology to compile an annual report that documents the extent of recipients' compliance with these requirements but does not authorize Ecology to enforce them.

Ecology chose to exempt recipients from reporting on the quantity of emissions reduced for some expenditure types because not all funded projects are intended to result in emissions reductions. After considering alternatives and completing a Least-Burdensome Analysis within the context of the goals and objectives of the authorizing statute, we determined that the adopted rule represents the least-burdensome alternative of possible rule requirements meeting the goals and objectives of the CCA.

Recipients should report data for actual expenditures made during the fiscal year to enable Ecology to produce the required report to the Legislature. The reporting for those actual expenditures should also reflect any information related to a) direct and meaningful benefits for vulnerable populations within the boundaries of overburdened communities; b) formal Tribal resolutions; c) projected quantities of greenhouse gas emissions to be reduced; and d) funding passed through via funding agreements. If there were not any expenditures associated with a particular appropriation (because funding was spent in a later fiscal year), recipients should indicate that no funds were expended. Additionally, recipients should report any intended or expected direct and meaningful benefits for vulnerable populations within the boundaries of overburdened communities for expenditures during the fiscal year being reported on, even if these direct and meaningful benefits have not yet been realized.

As noted in the final section of the rule, Ecology will consult with recipients to identify or create the appropriate methodology and calculator tool for quantifying greenhouse gas reductions from the recipient's project(s). Once Ecology has approved the methodologies and calculator tools, these documents will be posted on Ecology's website.

Ecology is responsible for adopting a rule to guide reporting on CCA expenditures and for producing an annual report that reflects the data that agencies have submitted based on the rule. Ecology's report will provide data to the Legislature on projects that provide direct and meaningful benefits to vulnerable populations in overburdened communities.

As noted in the rule, Ecology will notify recipients of the manner and date by which they must submit their data for the upcoming fiscal year by June 30 of each year. This will provide recipients with more than one year of notice before the reporting is due each year. Ecology will not be accepting data directly from subrecipients and therefore will not provide a standard reporting format for subrecipients. Recipients will be responsible for specifying reporting deadlines for their subrecipients as needed to support their own reporting to Ecology.

When reporting on direct and meaningful benefits for vulnerable populations within the boundaries of overburdened communities, recipients should report on the direct and meaningful benefits that the expenditure is intended or expected to provide. Recipients should refer to the Governor’s [Uniform approach for identifying overburdened communities and vulnerable populations to direct and track investments under the Healthy Environment for All and Climate Commitment Acts](#) for fiscal years 2024 and 2025 reporting, as well as any future guidance, when determining whether expenditures provide direct and meaningful benefits for vulnerable populations within the boundaries of overburdened communities. When reporting on an expenditure’s long-term impacts to emissions, recipients should report what they expect the emissions reductions to be over the lifetime of the project based on methodologies and calculator tools approved by Ecology, as described in WAC 173-446B-060. Recipients that voluntarily conduct ongoing tracking and monitoring on their expenditures are required to provide annual updates on these expenditures.

Comment Number: 3

Commenter: Jonathan Olds

Affiliation: Washington State Department of Transportation

Comment Summary:

The commenter recommended clarifying whether the rule should be updated to require reporting from any newly created accounts, including the Consolidated Climate Account.

The commenter suggested changes to WAC 173-446B-010(2) and (3) to reduce the potential for confusion.

The commenter requested clarification regarding the phrase “single line-item” in the proposed rule’s definition of “appropriation.”

The commenter recommended defining “long-term” in “long-term impact to emissions” as “a project’s useful life.”

The commenter requested clarification of the reporting cycle, as it is their hope that Ecology will notify recipients of the manner and due date of reporting more than a year in advance of associated fiscal year reporting.

The commenter requested clarification regarding whether the annual report needs to include both future and past data and whether the report intends to be a) a plan for expenditures/estimated appropriations, b) an update on actual expenditures, or c) both.

The commenter recommended providing clarification about whether all full-time equivalent expenditures (objects A&B) are exempt from reporting on emissions reductions and, if so, if this includes consultant services for agency staff augmentation.

The commenter recommended Ecology require recipients to report on: a) the estimated start date for anticipated direct and meaningful benefits to vulnerable populations in overburdened communities, b) the expected duration of these benefits or the useful life of the infrastructure/equipment/vehicle or vessel, and c) the projected emissions reductions over the project's useful life.

The commenter requested clarification for how to calculate the estimated cost per carbon dioxide equivalent metric ton of greenhouse gas reduced. They provided suggestions for how they believe this should be calculated.

The commenter expressed concern about the qualitative nature of requests related to reporting on direct and meaningful benefits for vulnerable populations in overburdened communities for expenditures made by pass-through recipients. They recommend adding "reference state and local plans where such information is available" to WAC 173-446B-050(2)(g)(i)(iii) and (iv).

The commenter noted their confusion regarding requirements for comparing benefits of different projects.

The commenter requested clarification regarding how recipients should report on expenditures for projects that receive funding from multiple sources, especially related to reporting on direct and meaningful benefits for vulnerable populations in overburdened communities. They also requested clarification related to reporting on projects that receive CCA funding through appropriations to multiple agencies. They suggest that, since these may be rare circumstances, Ecology should work directly with reporting agencies to provide clarification.

The commenter recommended that recipients be allowed to report at the overall system level in addition the project level for the full potential benefit at estimated system improvement completion.

Response to Comment:

The definition of CCA accounts in WAC 173-446B-020 includes the phrase "and any other state treasury account(s) the Legislature establishes specifically for the deposit of proceeds from the auction of allowances authorized in Chapter 70A.65 RCW," which provides sufficient flexibility for Ecology to require reporting from newly created accounts, including the Consolidated Climate Account.

Ecology amended the introduction section of the rule based on the commenter's concerns about the potential for this section to cause confusion.

Ecology amended the rule based on the commenter's suggestions regarding the phrase "single line-item," by removing this phrase from the definition of "appropriation." The phrase "for a specific purpose" was also added to the definition for clarity. Recipients are required to report on all funding appropriated from any CCA accounts. Recipients unsure of how to report on appropriations and expenditures should consult with their agency's budget and finance staff.

The phrase “long-term impact to emissions” is defined in the rule as emissions reductions calculated using methods described in WAC 173-446B-060. The rule requires recipients to report on the “long-term impacts to emissions” that expenditures are expected to produce. Application of the definition of “long-term impacts” may vary by project type. The greenhouse gas emissions reductions methodologies and calculator tools that Ecology plans to approve will provide clarity about the appropriate time scale for calculations for projects, so further clarification within the rule is not needed.

Ecology is committed to providing recipients with more than one year of notice regarding the manner and date of reporting. For example, for the fiscal year 2026 reporting, which is due to the Legislature in Fall 2026 and for which recipients will need to submit their reporting to Ecology in late summer or early Fall 2026, Ecology will have provided notification of manner and due date by June 30, 2025.

Annual reporting should reflect expenditures made during the previous fiscal year. Recipients are required to provide updates to their reporting on expenditures from previous years if they are voluntarily conducting ongoing tracking and monitoring.

While we have not made a change to the rule based on the commenter’s inquiry about exemptions from reporting on emissions reductions for some spending types, Ecology plans to clarify in guidance that expenditures only funding objects A&B and/or consultant services are exempt from reporting on the quantity of greenhouse gas emission projected to be reduced.

Ecology did not add requirements for reporting on additional metrics because doing so would increase the cost and administrative burden for recipients and is not required by the authorizing statute.

Ecology plans to clarify in guidance how recipients should calculate the cost per carbon dioxide equivalent metric ton of greenhouse gas reduced for their expenditures.

Through the rule, Ecology specified the broad format for data reporting. When necessary for clarification, Ecology will issue guidance outside the rule. Recipients are free to submit supplemental information, including relevant state and local plans. After considering alternatives and completing a Least-Burdensome Analysis, within the context of the goals and objectives of the authorizing statute, we determined that the adopted rule represents the least-burdensome alternative of possible rule requirements meeting the goals and objectives of the law.

While Ecology plans to include comparisons between greenhouse gas reduction projects in its annual report (as required by RCW 70A.65.300(2)), we do not plan to require recipients to report to us on these comparisons. Instead, Ecology will use the data reported by recipients to formulate these comparisons.

In cases where projects are funded through appropriations from multiple sources, recipients are only responsible for reporting on funding from CCA accounts. Recipients should report on the amount and percentage of funding from the CCA account(s) that provides direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities.

For projects receiving funding through multiple agencies, each recipient should report on the portion of CCA funding appropriated to them for the expenditure. Recipients with questions about rare circumstances should reach out to Ecology using the contact information contained in the Rule Implementation Plan.

If recipients want to provide information about how their appropriations are related to one another, they are free to do so. Ecology's goal is uniform reporting, but additional project information may be provided.

Comment Number: 4

Commenter: Dominga Soliz

Affiliation: State of Washington Environmental and Land Use Hearings Office (ELUHO)

Comment Summary:

The commenter explained the nature of the work their agency does: ELUHO provides administrative support to the Pollution Control Hearings Board, which conducts administrative appeals of penalties and orders issued by Ecology under the CCA.

The commenter asked how their agency should report on the location of their expenditures because all of their relevant spending is related to hiring staff and because it would be difficult for them to provide the location of the issues that gave rise to the appeals their staff is working on (if a location exists at all). They recommend Ecology allow them to report on the geographic location of direct expenditures on staffing for appeals.

The commenter requested clarification regarding how they should report on whether their expenditures provide direct and meaningful benefits for vulnerable populations in overburdened communities. As their funding is only used to hire staff to conduct administrative appeals work, the commenter suggests that their agency should report the percentage of their funding that provides direct and meaningful benefits for vulnerable populations in overburdened communities as being zero (0).

Response to Comment:

When reporting on the location for funding used only to hire agency staff, recipients should report the location of the workplace of the staff.

Ecology agrees with the commenter's assessment that their agency's expenditures are unlikely to result in direct and meaningful benefits for vulnerable populations in overburdened communities. Recipients should refer to the Governor's [Uniform approach for identifying overburdened communities and vulnerable populations to direct and track investments under the Healthy Environment for All and Climate Commitment Acts](#) for fiscal years 2024 and 2025 reporting, as well as any future guidance, when determining whether expenditures provide direct and meaningful benefits for vulnerable populations within the boundaries of overburdened communities.

Comment Number: 5

Commenter: Nicholas Norton

Affiliation: Washington State Recreation and Conservation Office

Comment Summary:

The commenter suggested that recipients of state programmatic appropriations that provide partial funding from CCA accounts and partial funding from another state source, such as capital bonds should only be required to report on the portion of the appropriation funded by CCA accounts. They recommended that Ecology revise the definition of appropriation to clarify the above and suggested that changes to the definition of “expenditure” may also be needed. They noted that, if the definition of “appropriation” is not changed, changes may be needed elsewhere in the rule, such as adding “from CCA accounts” as a qualifier to some subsections.

The commenter noted that, prior to publishing the proposed rule, Ecology removed “climate resiliency projects” from the list of expenditure types for which recipients are exempt from reporting on whether the expenditure is expected to produce verifiable emissions reductions or other long-term impacts to emissions. They request either: a) proactive outreach from Ecology so that they can understand which methodologies they should be using to calculate emissions reductions for the climate resiliency projects their agency is funding; or b) policy clarity through an exemption of specific investment types within the Natural Climate Solutions Account or a full exemption of projects funded by the Natural Climate Solutions Account.

Response to Comment:

Ecology did not make a rule change based on the commenter’s concerns about the definition of appropriation. Ecology did, however, clarify the definition of appropriation slightly by removing the phrase “a single line-item” and adding the phrase “for a specific purpose.” Recipients should only report on funding from CCA accounts, even when their expenditures are funded partially by CCA accounts and partially by non-CCA accounts, as is made clear by the portion of the definition of “appropriation” that reads “where such funding is distributed from one of the CCA accounts.”

Ecology did not exempt recipients from reporting on the quantity of greenhouse gas emissions projected to be reduced by climate resiliency projects (or projects funded by the Natural Climate Solutions Account). Ecology will post methodologies and calculator tools approved for use in calculating long-term impacts to emissions on its website. Recipients with specific questions about the appropriate methods for calculating emissions reductions should reach out to Ecology using the contact information in the Rule Implementation Plan.

Comment Number: 6

Commenter: Csenka Favorini-Csorba

Affiliation: Washington State Department of Natural Resources (DNR)

Comment Summary:

The commenter noted that their agency does not currently have the capacity or expertise to comply with the rule and that they would need additional funding to hire staff to comply with the rule. They specified the type of staff needed, including staff to work on issues of budget, data analysis, environmental justice, Tribal relations, and greenhouse gas emissions.

The commenter noted that support from a centralized team at Ecology focused on protocols for calculating emissions reductions could lessen DNR's need for additional staff.

The commenter also noted that the way Ecology decides to define terms within the rule will impact the amount of reporting DNR is required to do. As an example, they pointed out that much of DNR's work may be considered "climate resiliency projects" and therefore exempted from reporting on emissions reductions. They requested definitions for the terms "climate resiliency projects" and "other long-term impacts to emissions."

The commenter requested clarification regarding the timescale and timeline for reporting on emissions reductions, particularly regarding "climate resiliency projects."

The commenter requested clarification about the requirement that Ecology's annual report include "a comparison to other greenhouse gas emissions reduction projects."

The commenter requested that two new expenditure types be added to the list of those for which recipients are exempt from reporting on whether expenditures are expected to result in verifiable emissions reductions or other long-term impacts to emissions. These included their Forestry Riparian Easement Program (FREP) and their Rivers and Habitat Open Space Program (RHOSP). They noted that these projects are not designed to be emissions reducing.

The commenter provided annotations on a 2023 draft version of the rule (not the proposed rule). A summary of these annotations is below:

- The commenter requested a definition of "other long-term impacts to emissions."
- The commenter requested clarification about reporting on comparisons between greenhouse gas reducing projects.
- The commenter requested a definition for the phrase "environmental burdens," which is contained within the definition of "direct and meaningful benefits."
- The commenter requested clarification regarding how granular reporting on expenditures should be.

- The commenter requested clarification on WAC 173-446B-030, specifically regarding whether reporting should be retroactive after each fiscal year has closed.
- The commenter requested clarification on reporting on greenhouse gas emissions reductions, specifically about whether this reporting should be based on projections or should be retroactive (after the emissions reductions have taken place).
- The commenter requested a definition for “climate resiliency projects.”
- The commenter asked for clarification for the phrase, “enhancing a recipient’s or other entity’s capacity to fulfill its mission,” found in WAC 173-446B-040.
- The commenter requested a definition for the phrase “administrative purposes.”
- The commenter inquired about whether, if an Environmental Justice Assessment (EJA) was completed for an expenditure, that EJA could substitute for requirements to consult with vulnerable populations.
- The commenter requested clarification regarding WAC 173-446B-050(3) of the proposed rule (WAC 173-446B-060(3) in the version they annotated). Specifically, they inquired about whether reporting on the locations of overburdened communities identified by the recipient and the processes used to identify overburdened communities and vulnerable populations is the responsibility of the recipient (including in cases where funding is passed through).

Response to Comment:

After considering alternatives and completing a Least-Burdensome Analysis, within the context of the goals and objectives of the authorizing statute, Ecology determined that the adopted rule represents the least-burdensome alternative of possible rule requirements meeting the goals and objectives of the law.

Ecology has staff assigned to assist agencies with calculating emissions reductions from their expenditures. Recipients should get in touch with Ecology staff using contact information contained in the Rule Implementation Plan if they need assistance.

In both the proposed rule and the adopted rule, Ecology did not include a greenhouse gas emissions reduction reporting exemption for “climate resiliency projects,” so this term is not defined in the rule. “Long-term impact to emissions” is defined in WAC 173-446B-020(6).

When reporting on emissions reductions from a project, recipients should use approved methodologies to report the quantity of emissions reductions expected over the lifetime of the expenditure. This reporting will be done following the fiscal year during which the expenditure took place.

While the statute requires Ecology to include “a comparison to other greenhouse gas emissions reduction projects” in its annual report, Ecology is not requiring recipients to report this information. Ecology will make these comparisons and will include this information in the annual report.

Ecology did not exempt recipients from reporting on the quantity of greenhouse gas emissions expected to be reduced by climate resiliency projects (or projects funded by the Natural Climate Solutions Account). Ecology will post methodologies and calculator tools approved for use in calculating long-term impacts to emissions on its website.

Ecology did not make a change to the rule based on the comment about the definition of direct and meaningful benefits. Recipients should refer to the Governor’s [Uniform approach for identifying overburdened communities and vulnerable populations to direct and track investments under the Healthy Environment for All and Climate Commitment Acts](#) for fiscal years 2024 and 2025 reporting, as well as any future guidance, when determining whether expenditures provide direct and meaningful benefits for vulnerable populations within the boundaries of overburdened communities. Recipients can expect to receive additional guidance on the definition of direct and meaningful benefits, including from the Environmental Justice Council, which hopes to release guidance before the end of 2024.

For funding spent directly by a recipient, the recipient should provide the required reporting for each expenditure, as defined in the rule. For funding that is passed through to a subrecipient through a grant, contract, loan, interagency agreement, etc. each grant, contract, loan, or interagency agreement should be reported on as one expenditure.

Recipients should report to Ecology on any expenditures made during the previous fiscal year. Recipients are required to provide updates to their reporting on expenditures from previous years if they are voluntarily conducting ongoing tracking and monitoring.

Recipients using funding from CCA accounts to hire staff or conduct other activities that enhance their capacity but that are not expected to reduce greenhouse gas emissions are not required to report on the quantity of emissions projected to be reduced. Recipients that are uncertain whether an expenditure is considered exempt from reporting on the quantity of emissions reduced should contact Ecology staff using the contact information contained in the Rule Implementation Plan.

The requirement for recipients to report on the percentage of funding used for “administrative purposes” appeared in a previous draft version of the rule and was removed before the rule was proposed, so Ecology has not defined this phrase in the adopted rule.

The rule does not set requirements for consultation with vulnerable populations. If recipients or subrecipients have consulted with vulnerable populations to determine what benefits the expenditure provided (through an Environmental Justice Assessment or otherwise) the recipient should describe this consultation.

While subrecipients may be involved in making determinations about whether expenditures provide direct and meaningful benefits for vulnerable populations within the boundaries of overburdened communities, recipients are responsible for reporting these determinations to Ecology. For fiscal years 2024 and 2025, recipients should refer to the Governor’s [Uniform approach for identifying overburdened communities and vulnerable populations to direct and track investments under the Healthy Environment for All and Climate Commitment Acts](#) when making these determinations.

Comment Number: 7

Commenter: Csenka Favorini-Csorba

Affiliation: Washington State Department of Natural Resources

Comment Summary:

The commenter submitted a second comment to amend their initial comment. They highlighted that while they do not oppose the removal of “climate resiliency projects” from the list of expenditure types exempt from reporting on greenhouse gas emissions reductions, their agency would need funding for additional staff capacity because it will be particularly challenging for their agency to calculate emissions reductions for expenditures because of the complex nature of their work.

Response to Comment:

After considering alternatives and completing a Least-Burdensome Analysis, within the context of the goals and objectives of the authorizing statute, Ecology determined that the adopted rule represents the least-burdensome alternative of possible rule requirements meeting the goals and objectives of the law.

Comment Number: 8

Commenter: Don Gourlie

Affiliation: Puget Sound Partnership

Comment Summary:

The commenter suggested that recipients of state programmatic appropriations that provide partial funding from CCA accounts and partial funding from another state source, such as capital bonds, should only be required to report on the portion of the appropriation funded by CCA accounts. They recommended that Ecology revise the definition of appropriation to clarify the above and suggested that changes to the definition of “expenditure” may also be needed. They noted that, if the definition of “appropriation” is not changed, changes may be needed elsewhere in the rule, such as adding “from CCA accounts” as a qualifier to some subsections.

The commenter suggested that consideration of what counts as direct and meaningful benefits needs to include both the direct environmental health impacts to Tribal geographies and region-wide impacts to treaty reserved resources.

The commenter states their belief that investments that benefit Tribal treaty resources are providing direct and meaningful benefits and therefore contribute to the minimum 35% requirement and to the state's overall understanding of investments in environmental justice. They express their concern that current geographic parameters and reporting mechanisms required in the proposed rule (including whether expenditures are formally supported by Tribal resolution) will provide an incomplete picture of actual benefits to Tribal treaty resources, as the rule does not provide a method to show how investments benefit Tribal treaty resources. The commenter recommended that the rule be revised to include a pathway for reporting on investments that benefit Tribal treaty resources regardless of the project location, and that this pathway should be pursued through Government-to-Government consultation with Tribes.

The commenter recommended that either: a) the rule be updated to clarify that expenditures funded by the Natural Climate Solutions Account are not required to report on "verifiable reductions in greenhouse gas emissions" or b) Ecology begin outreach as soon as possible to clarify how expenditures funded by the Natural Climate Solutions Account will be expected to report on emissions reductions and when and how Ecology will work with recipients to identify and adapt CARB methodologies or to develop new methodologies. They noted that they are not aware of approved methodologies and calculator tools for determining verifiable reductions for some investments funded by the Natural Climate Solutions Account.

The commenter also attached a letter to Governor Inslee from Lorraine Loomis, Chairperson of the Northwest Indian Fisheries Commission, which describes concerns about Washington Environmental Justice Task Force Processes and states that "environmental justice reviews need to consider both the direct environmental health impacts to tribal geographies and region-wide impacts to treaty-reserved resources."

Response to Comment:

Ecology did not change the rule based on the commenter's inquiry about reporting on expenditures with funding from multiple sources. Recipients should only report on funding from CCA accounts, even when their expenditures are funded partially by CCA accounts and partially by non-CCA accounts, as is made clear by the portion of the definition of "appropriation" that reads "where such funding is distributed from one of the Climate Commitment Act accounts".

Ecology did not make a change to the rule based on the commenter's inquiry about what counts as a direct and meaningful benefit. The rule requires recipients to report on whether expenditures provide direct and meaningful benefits to vulnerable populations in overburdened communities and whether projects are formally supported by Tribal resolution. Recipients can expect to receive additional guidance on the definition of direct and meaningful benefits, including from the Environmental Justice Council, which hopes to release guidance before the end of 2024. For fiscal years 2024 and 2025, recipients should refer to the Governor's [Uniform approach for identifying overburdened communities and vulnerable populations to direct and track investments under the Healthy Environment for All and Climate Commitment Acts.](#)

Ecology will provide an opportunity for recipients to describe project benefits or contributions that fall outside the definition of direct and meaningful benefits to vulnerable populations within the boundaries of an overburdened community, but these benefits will not be counted toward the requirement that 35% of statewide CCA funding be spent on projects that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities.

Ecology has chosen not to exempt recipients from reporting on whether climate resiliency projects (or projects funded by the Natural Climate Solutions Account) are expected to produce verifiable emissions reductions or other long-term impacts to emissions. Ecology will post methodologies and calculator tools approved for use in calculating long-term impacts to emissions on its website.

III. Local Government Agency

Comment Number: 9

Commenter: Jack Howard

Affiliation: Benton Franklin Health District

Comment Summary:

The commenter appears to have provided comments on Washington’s Climate Resilience Strategy, rather than the CCA Funds Reporting rule proposal.

Response to Comment:

This comment is outside the scope of this rulemaking. Ecology is considering this comment in the process to develop Washington’s Climate Resilience Strategy.

IV. Non-Governmental Organization

Comment Number: 10

Commenter: Davin Diaz

Affiliation: Front and Centered

Comment Summary:

The commenter emphasized their organization’s interest in seeing transparency and accountability in the spending of money from CCA accounts.

The commenter recommended the use of community health indicators to measure whether expenditures funded by CCA accounts have led to direct and meaningful benefits. They proposed definitions for both “direct benefits” and “meaningful benefits,” emphasizing that benefits should be identified in conjunction with the targeted communities and that benefits should not replicate or replace other pre-existing efforts.

The commenter recommends that agencies include in their reporting: a) a description of the project, b) a projection (pre-project) of the project’s impacts, and c) an assessment (during and post-project) of the project’s impacts.

They note that the project assessment should demonstrate the project's estimated ability to eliminate environmental health disparities and reduce greenhouse gas emissions in overburdened communities.

Response to Comment:

RCW 70A.65.300 requires Ecology to submit to the Legislature an annual report that identifies all distributions of money from the CCA accounts. The report is required to provide information related to funding provided to recipients via legislative appropriation and information related to emissions reductions resulting from funded projects. The statute also requires Ecology to adopt a rule to guide reporting from recipients. Chapter 173-446B WAC will enable Ecology to meet the annual reporting requirement while prioritizing transparency and accountability, and without imposing an undue burden on recipients.

Ecology did not make a change to the rule based on the commenter's recommendations regarding the definition of direct and meaningful benefits. Recipients can expect to receive additional guidance on the definition of direct and meaningful benefits, including from the Environmental Justice Council, which hopes to release guidance before the end of 2024. For fiscal years 2024 and 2025, recipients should refer to the Governor's [Uniform approach for identifying overburdened communities and vulnerable populations to direct and track investments under the Healthy Environment for All and Climate Commitment Acts](#).

Ecology did not make a change to the rule based on the commenter's suggestions about project assessment. The adopted rule requires recipients to report on the purpose of their project, the projected quantity of reduced greenhouse gas emissions to be produced by the expenditure, and the portion of the expenditure that provides direct and meaningful benefits to vulnerable populations in overburdened communities. Recipients are required to provide updates to their reporting on expenditures from previous years if they are voluntarily conducting ongoing tracking and monitoring.

Comment Number: 11

Commenter: Davin Diaz

Affiliation: Front and Centered

Comment Summary:

The commenter emphasized their organization's interest in seeing transparency and accountability in the spending of money from CCA accounts.

They also noted that Ecology has discretion regarding what information should and would be included in the annual report.

The commenter noted that they approved of Ecology's decision to go beyond the basic statutory requirements and to adopt some of the recommendations previously made by Front and Centered.

The commenter noted their support for Ecology’s decisions to continue requiring reporting related to whether expenditures provide direct and meaningful benefits for vulnerable populations in overburdened communities beyond fiscal year 2025.

The commenter noted their concern that the requirement for reporting on funding passed through to subrecipients will increase the administrative burden for community-based organizations. They recommend that Ecology work closely with recipients to ensure that reporting by subrecipients is low-effort and that subrecipients receive proper technical assistance.

The commenter recommended that agencies work to develop further metrics of analysis as CCA funds continue to be distributed. They noted some specific metrics they would like to see included.

The commenter suggested that agencies should explore options for reporting on co-benefits achieved by expenditures, especially because the CARB methodologies, which agencies will likely rely on for calculating emissions reductions, include methodologies for calculating co-benefits.

The commenter urged Ecology to commit to reporting data and updating its website twice per year, including once before legislative session and once after.

The commenter suggested that Ecology should provide more guidance on how agencies should interpret the phrase “direct and meaningful benefits.” They are specifically interested in the “meaningful” portion of this phrase, which they suggest should mean that a benefit achieves significant community measurable progress toward a stated objective, reduces greenhouse gas emissions or improves environmental health for vulnerable populations within an overburdened community, and does not replicate or replace other pre-existing non-CCA state or privately funded efforts.

The commenter recommended that agencies include in their reporting: a) a description of the project, b) a projection (pre-project) of the project’s impacts, and c) an assessment (during and post-project) of the project’s impacts. They note that the project assessment should demonstrate the project’s estimated ability to eliminate environmental health disparities and reduce greenhouse gas emissions in overburdened communities. The commenter recommends the agency adopt and incorporate the use of “environmental and community health indicators” to measure whether CCA funding has led to direct and meaningful benefits and describes what these “environmental and health indicators” might include.

The commenter provided their recommendations for the Office of Financial Management’s (OFM) dashboard in order to ensure that the information collected from agencies for the annual report aligns with the information needed for the dashboard. They also suggested specific functionality and layers that should be included in the OFM dashboard.

The commenter urged Ecology to move beyond the requirements of the statute and to craft reporting requirements that will ensure reporting is meaningful and useful.

Response to Comment:

RCW 70A.65.300 requires Ecology to submit to the Legislature an annual report that identifies all distributions of money from the CCA accounts. The report is required to provide information related to funding provided to recipients via legislative appropriation and information related to emissions reductions resulting from funded projects. The statute also requires Ecology to adopt a rule to guide reporting from recipients. Chapter 173-446B WAC will allow Ecology to meet the annual reporting requirement while prioritizing transparency and accountability without imposing an undue burden on recipients.

Ecology appreciates the commenter's recognition of our decision to accept some of the commenter's previous suggestions.

Ecology acknowledges concerns about an increased administrative burden for subrecipients but chose to include requirements for reporting on funding spent by pass-through recipients because the statute requires Ecology to include in its annual report information about the "actual end use of funds" and because this information is vital for understanding the nature and location of expenditures. Ecology will only accept reporting submitted by recipients and recommends that agencies seek to minimize the burden of data reporting on subrecipients.

Ecology did not add requirements for reporting on additional metrics because doing so would increase the cost and administrative burden for recipients and is not required by the authorizing statute.

Ecology did not make a rule change based on this commenter's notes about co-benefits because requirements within the rule for reporting on co-benefits would increase the administrative burden for recipients and is not required by the authorizing statute. The authorizing statute (RCW 70A.65.300), as well as the 2023-2025 biennial operating budget, provided direction for Ecology to require reporting specifically on direct and meaningful benefits for vulnerable populations within the boundaries of overburdened communities. Recipients will, however, have the option to calculate and voluntarily report on co-benefits.

Ecology did not make a rule change based on the commenter's suggestion about reporting frequency. Ecology plans to provide a report to the Legislature once per year as required by RCW 70A.65.300. More frequent reporting would increase costs for Ecology and administrative reporting burden on recipients and is not required by the authorizing statute. Ecology is, however, working with OFM on a data dashboard that will display data contained in the annual reports, as required by the 2023-2025 biennial operating budget.

Ecology did not make a change to the rule based on the commenter's suggestions about the definition of "direct and meaningful benefits." Recipients can expect to receive additional guidance on the definition of "direct and meaningful benefits," including from the Environmental Justice Council, which hopes to release guidance before the end of 2024. For fiscal years 2024 and 2025, recipients should refer to the Governor's [Uniform approach for identifying overburdened communities and vulnerable populations to direct](#)

[and track investments under the Healthy Environment for All and Climate Commitment Acts.](#)

Ecology did not make a change to the rule based on the commenter's list of data that should be included in reporting. Recipients are expected to report on the purpose of their project, whether their project is expected to lead to long term impacts to emissions, and the portion of the expenditure that provides direct and meaningful benefits to vulnerable populations in overburdened communities. They will be required to provide updates to their reporting on expenditures from previous years if they are voluntarily conducting ongoing tracking and monitoring. Recipients can expect to receive additional guidance on the definition of direct and meaningful benefits, including from the Environmental Justice Council, which hopes to release guidance before the end of 2024.

Ecology did not add requirements for reporting on additional metrics because doing so would increase the cost and administrative burden for recipients and is not required by the authorizing statute. While the functionality of the dashboard itself is outside the scope of the rulemaking, Ecology will consider the commenter's input when coordinating with OFM on the creation of the dashboard.

Comment Number: 12

Commenter: Joshua Rubenstein

Affiliation: The Nature Conservancy

Comment Summary:

The commenter noted the necessity for Ecology to act on comments of those advocating for CCA investments, especially the comments being shared by climate advocates and representatives of overburdened communities.

The commenter suggested that Ecology follow any recommendations from the Environmental Justice Council pertaining to this rulemaking.

The commenter recommended Ecology include in the rule a requirement that reports be updated at least twice per year, including once in the spring after legislative session and once in the early fall.

The commenter suggested that Ecology ensure that the information it makes public is accessible.

The commenter urged Ecology to follow the recommendations provided by Front and Centered regarding how to define vulnerable populations in overburdened communities and how to define direct and meaningful benefits.

The commenter noted their appreciation for the removal of "climate resilience projects" from the list of expenditure types for which agencies are exempt from reporting on emissions reductions. They suggested that agencies be required to report on the resilience and adaptation benefits of CCA-funded projects and that this reporting should align with the Washington State Climate Resilience Strategy. They note that this would allow an understanding of the full scope of the CCA's benefits to Washington communities. They suggest Ecology look to the potential metrics suggested by Front and Centered.

They note that the CARB calculator tools agencies may be using to calculate emissions reductions may already include calculations of air quality benefits. They requested that Ecology add reporting requirements for air quality, water quality, and climate resilience benefits. They also requested that Ecology expand the requirement for reporting on job quantity and quality data to apply to all CCA accounts.

Response to Comment:

The Environmental Justice Council has not published any formal guidance related to the subject matter of this rulemaking. However, Ecology staff worked with the Environmental Justice Council on many occasions while writing this rule, including presentations to the Environmental Justice Council CCA Committee on June 8, 2023, November 15, 2023, and February 8, 2024. Ecology intends to continue consulting with the Environmental Justice Council during implementation.

Ecology does not plan to report data more often than is required by statute (once per year), as this would increase the administrative burden for Ecology as well as recipients. After considering alternatives and completing a Least-Burdensome Analysis, within the context of the goals and objectives of the authorizing statute, we determined that the adopted rule represents the least-burdensome alternative of possible rule requirements meeting the goals and objectives of the law.

Ecology agrees that the information contained in its reports should be accessible. The dashboard being managed by OFM will provide the Legislature and members of the public with information about each expenditure. Ecology also plans to maintain a webpage that will contain at least: a) a copy of each year's annual report, b) a link to the OFM dashboard, and c) approved methodologies and tools for calculating the long-term impacts to emissions of expenditures.

Ecology did not make a change to the rule based on the commenter's suggestions about how to define vulnerable populations in overburdened communities and direct and meaningful benefits. Since the rule was proposed, the Governor's Office released its [Uniform approach for identifying overburdened communities and vulnerable populations to direct and track investments under the Healthy Environment for All and Climate Commitment Acts](#), which should be referred to for Fiscal Year 2024 and 2025 reporting. Recipients can expect to receive additional guidance on the definition of direct and meaningful benefits, including from the Environmental Justice Council, which hopes to release guidance before the end of 2024.

Ecology did not make a rule change based on the commenter's suggestion about reporting on co-benefits as there is no statutory requirement for reporting on co-benefits, and requirements within the rule for reporting on co-benefits would increase the administrative burden for recipients. The authorizing statute (RCW 70A.65.300), as well as the 2023-2025 biennial operating budget, provided direction for Ecology to require reporting specifically on direct and meaningful benefits for vulnerable populations within the boundaries of overburdened communities. Recipients will, however, have the option to calculate and report on co-benefits. Additionally, Ecology does not plan to report data more than is required by statute (once per year), as this would increase cost for Ecology and recipients.

After considering alternatives and completing a Least-Burdensome Analysis, within the context of the goals and objectives of the authorizing statute, we determined that the adopted rule represents the least-burdensome alternative of possible rule requirements meeting the goals and objectives of the law.

Comment Number: 13

Commenter: Bryan Pelach

Affiliation: Washington Conservation Action

Comment Summary:

The commenter recommended that the process to ensure that ten percent of CCA funding is spent on projects formally supported by Tribal resolution must be developed in consultation with Tribes.

The commenter recommended that Ecology require reporting on net reductions or increases in greenhouse gas reductions, rather than “verifiable reductions in greenhouse gas emissions or other long-term impacts to emissions.”

The commenter recommended that Ecology look to Front and Centered’s advice for defining “direct and meaningful benefits.”

The commenter provided two suggestions for amendments to the rule to adequately capture carbon storage and sequestration benefits. The first suggestion is for Ecology to require recipients to report on whether each of their expenditures was funded by the Natural Climate Solutions Account or whether it is expected to produce any verifiable reduction in greenhouse gas emissions or other long-term impact to emissions. The second suggestion is for Ecology to require recipients to report on whether their projects involve forests and if so a) require recipients to report on the carbon accounting methodologies used to determine the increases and decreases in carbon sequestration and storage; b) require recipients to report on whether the carbon accounting methodologies used consider both aboveground and belowground carbon as well as the baseline scenario of what would have occurred in the absence of the project; and c) require recipients to report on whether their methodologies are consistent with those outlined by the Intergovernmental Panel on Climate Change.

Response to Comment:

Recipients are required to report to Ecology on whether their expenditures are supported by Tribal resolution. In order to receive such formal support for their expenditures, recipients will need to consult with Tribes. Ecology’s role is to collect data from recipients and reflect it in an annual report. Ecology is committed to providing transparency regarding whether ten percent of expenditures are supported by formal Tribal resolution, as is intended by the authorizing statute.

Ecology has chosen not to make a rule change based on the commenter’s suggestions about net emissions reductions, as the creation of methodologies and calculator tools that calculate net emissions reductions would create a much larger administrative burden for Ecology and for recipients and is not required by the authorizing statute.

After considering alternatives and completing a Least-Burdensome Analysis, within the context of the goals and objectives of the authorizing statute, we determined that the adopted rule represents the least-burdensome alternative of possible rule requirements meeting the goals and objectives of the law.

Ecology did not make a change to the rule based on the commenter's suggestion about the definition of "direct and meaningful benefits." For fiscal years 2024 and 2025, recipients should refer to the Governor's [Uniform approach for identifying overburdened communities and vulnerable populations to direct and track investments under the Healthy Environment for All and Climate Commitment Acts](#). Recipients can expect to receive additional guidance on the definition of direct and meaningful benefits, including from the Environmental Justice Council, which hopes to release guidance before the end of 2024.

Ecology did not make a change to the rule based on the commenter's suggestions about reporting on carbon sequestration. The rule does not exempt carbon sequestration expenditures from reporting on projected reductions in emissions. Recipients with questions about which quantification methodologies and calculator tools they should use should reach out to Ecology using the contact information contained in the Rule Implementation Plan.

Comment Number: 14

Commenter: Altinay Karasapan

Affiliation: Climate Solutions

Comment Summary:

The commenter noted the importance of this rule for: a) ensuring the state meets statutory requirements related to spending that benefits vulnerable populations in overburdened communities and that is formally supported by Tribal resolution; and b) demonstrating the impact of CCA investments on reducing greenhouse gas emissions and air pollution, and improving air quality to reduce health disparities in overburdened communities.

The commenter recommended that Ecology include the narrative, visual, and analytical elements of California's annual report into Washington's annual report. They encouraged Ecology to provide resources similar to those provided by CARB on their California Climate Investments webpage.

The commenter recommended that CARB's California Climate Investments website and Quebec's data dashboard be used as an example for Washington's dashboard.

The commenter recommended that Ecology complete the annual report by early October so that decision makers have the necessary information before the following year's legislative session begins. They noted that it is particularly important for the state's Environmental Justice Council to have access to the report's information early enough for that body to provide recommendations on investments to the Governor and Legislature. They also suggested that, in addition to the annual report, Ecology provide frequent updates on spending, possibly through a mid-year report at the end of each legislative session, to highlight new CCA appropriations.

The commenter recommended that Ecology track and include in its annual report the air quality impacts of CCA investments that are already required to track their greenhouse gas emissions impact, especially if recipients will be using CARB methodologies to calculate their emissions reductions, as the tracking of air quality impacts is already integrated into the CARB calculators.

The commenter suggested that Ecology should require all recipients to provide available data related to the quantity and quality of jobs, apprenticeships, and/or internships created, rather than only requiring this information for expenditures funded through the Climate Investment Account. They noted that the number and quality of jobs that emerge from the CCA investments are critical data for highlighting the impact of the funds for economic development and opportunity in the state, and the Legislature and public would benefit from understanding the full scope of the benefits, not just those limited to one account.

The commenter recommended that Ecology work with the Environmental Justice Council and community partners to develop clear guidance regarding the definition of “meaningful benefits,” as they believe the definition of “direct and meaningful benefits” in the rule lacks statutory clarity. They suggested that Ecology may want to adopt a list of environmental and community health indicators that agencies must meet if their project is intended to meaningfully benefit vulnerable populations.

Response to Comment:

The 2023-2025 biennial operating budget requires Ecology to work with OFM to build a data dashboard that displays the information contained in Ecology’s annual report. In conjunction with the annual report, the data dashboard will provide interested parties with the information necessary to draw conclusions about investments statewide.

The data that recipients are required by rule to provide to Ecology will populate OFM’s dashboard. While the data dashboard itself is outside the scope of this document, Ecology will consider the commenter’s input when coordinating with OFM on the creation of the dashboard.

Ecology does not plan to report data more than is required by statute (once per year), as this would increase costs for Ecology and recipients, and is not required by the authorizing statute.

Ecology has chosen not to make a rule change based on the commenter’s suggestion about co-benefits, as there is no statutory requirement for reporting on co-benefits and requirements within the rule for reporting on co-benefits would increase the administrative burden for recipients. The authorizing statute (RCW 70A.65.300), as well as the 2023-2025 biennial operating budget, provided direction for Ecology to require reporting specifically on direct and meaningful benefits for vulnerable populations within the boundaries of overburdened communities. Recipients will, however, have the option to calculate and report on co-benefits.

Ecology made a change to the job quality and quantity reporting section of the rule prior to adoption. Rather than requiring reporting on job quality and quantity for expenditures funded by the Climate Investment Account, Ecology has made reporting on job quality and quantity optional for expenditures funded by all CCA accounts.

Ecology did not make a change to the rule based on the commenter's suggestions regarding the definition of "direct and meaningful benefits." For fiscal years 2024 and 2025, recipients should refer to the Governor's [Uniform approach for identifying overburdened communities and vulnerable populations to direct and track investments under the Healthy Environment for All and Climate Commitment Acts](#). Recipients can expect to receive additional guidance on the definition of direct and meaningful benefits, including from the Environmental Justice Council, which hopes to release guidance before the end of 2024.