

Cap-and-Invest Carbon Market Linkage Updates

The Climate Commitment Act directs the Washington Department of Ecology (Ecology) to “seek to enter into linkage agreements with other jurisdictions with external greenhouse gas (GHG) emissions trading programs” and lists specific steps that must be completed before linking in [RCW 70A.65.060\(3\)](#)¹ and [RCW 70A.65.210](#).²

Ecology has been pursuing linkage with the joint California-Québec carbon market since November 2023. California and Québec have been linked since 2014. In a linked carbon market, allowances issued by California and Québec could be used by Washington entities to cover their emissions, and vice versa. The three jurisdictions would host joint allowance auctions and share a common allowance price. Market participants could also buy and sell allowances across jurisdictions.

Starting in 2025, Ecology is required to publish quarterly updates detailing the status and expected timeline of each step that must be taken by Washington, California, and Québec prior to entering into a linkage agreement ([RCW 70A.65.210\(4\)](#)).³ This report will be updated each quarter to fulfill this requirement.

Completing a linkage agreement is just one part of each jurisdiction’s linkage process, and some steps may occur simultaneously.

In Washington, the Climate Commitment Act establishes that the linkage agreement is the step that authorizes Washington to accept allowances and offset credits from California and Québec, completing the linkage process. In California, the linkage process is completed on the effective date of a California Air Resources Board adopted regulation that recognizes the addition of Washington to the linked program. In Québec, the linkage process is completed through a formal rulemaking which takes effect when the linkage agreement is ratified by an Order in Council.

Each jurisdiction must fully complete **all** the steps in its own process before Washington, California, and Québec can begin operating a linked market. This report covers all the steps in each jurisdiction’s process, not just steps that must be taken prior to completing a linkage agreement.

¹ <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.65.060>

² <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.65.210>

³ <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.65.210>

The graphic below shows a general overview of Washington’s linkage process and expected timeline, and more details can be found on our [linkage webpage](#).⁴



Figure 1 Washington's linkage process expected timeline.

For more information about California’s process and timeline, contact the [California Air Resources Board \(CARB\)](#).⁵ For more information about Québec’s process and timeline, contact the [Québec Ministry of Environment, the Fight Against Climate Change, Wildlife, and Parks](#).⁶

Americans with Disabilities Act (ADA) accessibility

To request an ADA accommodation, contact Ecology by phone at 360-407-6800, email CCAquestions@ecy.wa.gov, or visit <https://ecology.wa.gov/accessibility>. For Relay Service or TTY call 711 or 877-833-6341.

Language services

Ecology offers free language services about our programs and services for people whose primary language is not English. We can provide information written in your preferred language and qualified interpreters over the telephone. To request these services or to learn more about what we can provide, email CCAquestions@ecy.wa.gov.

⁴ <https://ecology.wa.gov/air-climate/climate-commitment-act/cap-and-invest/linkage>

⁵ <https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program/program-linkage>

⁶ https://www.environnement.gouv.qc.ca/changementsclimatiques/marche-carbone_en.asp

Quarterly updates

The information in the tables below reflects Ecology’s understanding of the expected steps that each jurisdiction would need to take prior to linkage and the status of each step.

Quarter 1 2025 update: March 26, 2025

Washington linkage process

Process step	Status	Completion date
Decide to pursue linkage	● Completed	Fall 2024
Align carbon market policies	◐ Initiated	Estimated summer 2026
Solicit public input on the linkage agreement*	◐ Initiated	Estimated through late 2025
Environmental Justice Assessment*	◐ Initiated	Estimated late 2025 or early 2026
Establish findings on the linkage criteria*	◐ Initiated	Estimated late 2025 or early 2026
State Environmental Policy Act environmental review	○ Not started	Estimated late 2025 or early 2026
Linkage agreement	◐ Initiated	Estimated 2026

Table 1: All of the steps outlined above are undertaken by Washington Department of Ecology.

**Steps explicitly required by the Climate Commitment Act*

Washington Department of Ecology Update: March 26, 2025

Ecology started linkage discussions with California and Québec. The current linkage agreement between California and Québec is the starting point for developing a new one that includes Washington, so Ecology asked interested parties to review that agreement and share input through a forum for Tribal governments, two public meetings, and a written comment period. The [comment period](https://ecology.commentinput.com/?id=SCVtpWR6s)⁷ opened Nov. 21, 2024 and closes March 31, 2025. This input will inform discussions with the other two jurisdictions as we develop a

⁷ <https://ecology.commentinput.com/?id=SCVtpWR6s>

Washington-California-Québec linkage agreement. Once we develop a draft agreement with the other jurisdictions, Ecology will publish it and solicit additional input from Tribes and the public. Where applicable, Ecology will work to incorporate this feedback into the linkage agreement through the negotiation process.

Before Washington enters into a linkage agreement, the CCA requires Ecology to conduct an Environmental Justice Assessment focused on how linkage could potentially impact overburdened communities and Tribes. Ecology began this Environmental Justice Assessment in June 2024. As a part of this assessment, Ecology is identifying overburdened communities and vulnerable populations that could be impacted by linkage. We're also engaging with Tribes and community groups to get their input.

Ecology is also in the development stage (CR-101) of a [rulemaking](#)⁸ that will facilitate linkage by making Washington's carbon market compatible with the California-Québec market. We [notified Cap-and-Invest market participants](#)⁹ about updates to the scope and timeline of this rulemaking on March 17, 2025. The new rulemaking will include the topics related to linkage as well as updates to the Cap-and-Invest Program. We expect to adopt rule changes in summer 2026. There will be more public comment opportunities before we officially propose rule amendments.

⁸ <https://ecology.wa.gov/regulations-permits/laws-rules-rulemaking/rulemaking/WAC-173-441-446-Linkage>

⁹ <https://content.govdelivery.com/accounts/WAECY/bulletins/3d70206>

California linkage process

Process step	Status	Completion date
Analysis of program adequacy for linkage by CARB staff	● Completed	Summer 2024
Linkage agreement	◐ Initiated	Estimated 2026
Executive Officer of CARB requests California Governor to make Senate Bill 1018 ¹⁰ findings	○ Not started	Estimated 2026
California Governor's office makes Senate Bill 1018 findings	○ Not started	Estimated 2026
CARB rulemaking to accept compliance instruments from Washington	○ Not started	Estimated 2026
CARB submits linkage readiness report to Governor, if requested	○ Not started	Estimated 2026

California Air Resources Board Update: March 26, 2025

CARB staff worked closely with staff in Washington and Québec to understand the programs in each jurisdiction and to evaluate the alignment of program elements necessary to enable linkage. CARB staff has started linkage discussions with Washington and Québec. Additional information on California's process for linkage with the Washington Cap-and-Invest Program can be found on [CARB's Cap-and-Trade Program Linkage](#)¹¹ webpage.

¹⁰ [Government Code section 12894, subdivision \(f\)](#):

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=3.&title=2.&part=2.5.&chapter=5.&article=

¹¹ <https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program/program-linkage>

Québec linkage process

Process step	Status	Completion date
Rulemaking process to accept compliance instruments from Washington (in parallel to finalizing and approving the linkage agreement)	<input type="radio"/> Not started	Estimated 2026
Linkage agreement	<input checked="" type="radio"/> Initiated	Estimated 2026
Approval of the linkage agreement by Québec National Assembly	<input type="radio"/> Not started	Estimated 2026
Ratification of the linkage agreement by the Government of Québec by way of an Order in Council	<input type="radio"/> Not started	Estimated 2026

Québec Ministry of Environment Update: March 26, 2025

Québec staff worked closely with staff in Washington and CARB to understand the programs in each jurisdiction and to evaluate the alignment of program elements necessary to enable linkage. Québec staff have started linkage discussions with Washington and CARB.