

Guidance document and submission template: Requesting upward adjustments to reduction schedule for EITE facilities

This document is intended to supplement the principles and procedures set forth in the [Chapter 70A.65.110 RCW](#) and [Chapter 173-446 WAC](#), and to explain with greater specificity the requirements for covered entities submitting requests for changes to the reduction schedule for EITE facilities under the Cap-and-Invest Program.

Background

[RCW 70A.65.110 \(3\)](#) authorizes Ecology to make an upwards adjustment to the reduction schedule for an EITE facility ahead of the next four-year period (starting in 2027) if the facility can demonstrate that additional reductions in carbon intensity or mass emissions are **not technically or economically feasible**. Ecology may base the upward adjustment for the next four-year period on a best available technology analysis.

To be eligible for an upwards adjustment, **a facility must conduct a technical and economic feasibility assessment and demonstrate at least one of the following conditions is met:**

- A) There is a significant change in the emissions used or emissions attributable to the manufacturing of an individual good or goods by the EITE facility that have a material impact on emissions.
- B) There are significant changes to the EITE facility's external competitive environment that result in a significant increase in leakage risk.
- C) There are abnormal operating periods when the EITE facility's carbon intensity has been materially affected, such that these abnormal operating periods should either be excluded or otherwise considered in the establishment of carbon intensity benchmarks.

As per [WAC 173-446-220 \(2\)\(d\)\(ii\)](#), owners or operators of an EITE facility that wish to request an upward adjustment of their reduction schedule must submit the required information to Ecology by March 31st of the year prior to the start of the four-year period.

Requirements for submitting requests for adjustments to the reduction schedule

For the 2027 compliance period, requests for upward adjustments are due to Ecology by March 31st, 2026. As per [WAC 173-446-220 \(2\)\(d\)\(ii\)](#), owners or operators of any EITE facility that wish to have an upward adjustment of their reduction schedule must submit the following information to Ecology electronically in the format specified by Ecology:

- A cover letter summarizing their request. [Required]
- A document that contains the results of the technical and economic feasibility assessment and how the facility meets the criteria set out in [WAC 173-446-220 \(2\)\(d\)\(ii\)](#), including all the information requested in the submission template set out in Appendix 1 of this document. [Required]
- Any supplemental information related to the request not specified in the submission template set out in Appendix 1 of this document. [Optional]

Submissions must be emailed to Ecology at CCEITEIndustries@ecy.wa.gov by March 31st, 2026.

Ecology intends to finalize determinations on any requests for adjustments to the reduction schedule by early October 2026 ahead of the preliminary allocation of vintage 2027 allowances on Oct 24, 2026.

Ecology reserves the right to request additional information from covered entities making these requests and withhold its determination until receipt of the requested information.

Note: the technical and economic assessment requirements set out in this submission template (Section 1-5) are intended to incorporate the key features of a best available technology analysis, but are not intended limit such an analysis.

Appendix 1 – Submission template for requests for adjustments to reduction schedule for EITE facilities

Section 1: Summary description of facility and production activities

In this section, the submission must briefly describe the facility. This includes:

- Facility name and GHG ID. [Required]
- A brief description of company/facility, including a tabular summary of annual emissions and production data for emissions years 2015-2025 using the template provided in Table 1.1. Annual emissions and production data'. [Required]
- A plain language description of the facility's production processes, including block or process flow diagram(s) that includes fuel sources, combustion units, and production processes, as applicable. [Required]
- Identification of all fuels, processes, equipment, and operations that contribute to the facility's covered emissions using the template provided in Table 1.2. Emissions intensity by unit/process'. [Required]
- Description of any factors that have led to an increase or decrease in the facility's covered emissions or emissions intensity of production since the Climate Commitment Act came into effect on July 25, 2021, if applicable. [Optional]

Table 1.1. Annual emissions and production data for 2015-2025

Year	Total reported emissions (MT CO ₂ e)	Annual production quantity	Production metric/Unit of Production	Reported emissions (MT CO ₂ e)

Table 1.2. Emissions by unit/process for 2015-2025. Provide a separate table for each applicable subpart of 40 C.F.R. Part 98 listed in Table 120-1 of WAC 173-441-120.

Year	Unit name	Process	Process detail	Fuel/Quantity	Reported emissions (MT CO ₂ e)

Section 2: Summary of implemented emission reduction measures

In this section, the submission must briefly describe any relevant projects, actions or strategies implemented by the facility to reduce its greenhouse gas emissions since the Climate Commitment Act came into effect on July 25, 2021. This includes:

- Brief description of projects, actions and/or strategies implemented using the template provided in Table 2.1. Implemented greenhouse gas reduction measures' [Required]
- Written narrative that provides additional context for implemented measures. This should be done by adding additional column(s) to Table 2.1. [Required].

Table 2.1. Implemented greenhouse gas reduction measures. Provide a separate row for each project, action or strategy implemented since July 25, 2021.

Brief description of project, action, or strategy	Type of emissions reduced (i.e. combustion, fixed process, or other)	Annual reduction in covered greenhouse gas emissions [MT CO ₂ e]	Reduction in emission intensity per unit of product (if applicable)	Month and year when emissions reductions came into effect
Example: Upgraded burner in Process XX				
Example: Implemented new SEM practices				

Section 3: Technical assessment of emission reduction measures

In this section, the submission must include a **comprehensive technical assessment** of potential measures (projects, actions, and strategies) for reducing covered greenhouse gas emissions at the facility. These should include, but are not limited to, upgrades to existing equipment, implementation of energy management strategies, deployment of new technologies, fuel switching, reconfiguration of production processes, and shifting production or product mix to lower-carbon intensive products.

The technical assessment should be separated into three sub-sections:

- 1) Measures addressing combustion-related emissions. This sub-section should address any potential measures related to emissions from units and/or process steps involving stationary fuel combustion sources, such as those units that combust solid, liquid, or gaseous fuel to produce electricity, generate steam, or provide useful heat or energy. Stationary combustion emissions include those reported according to Subpart C in Table 120-1 of [WAC 173-441-120](#).
- 2) Measures addressing process emissions. This sub-section should address any potential measures related to emissions from industrial processes involving chemical or physical transformations other than fuel combustion. Process emissions include those reported under the relevant subparts listed in Table 120-1 of [WAC 173-441-120](#).
- 3) Other emissions reduction measures. This sub-section should address any potential measures not discussed in the previous two sub-sections.

For each applicable sub-section the submissions must **identify all available technologies and measures** (projects, actions, strategies) with **practical potential**¹ to reduce greenhouse gas emissions at the facility. The assessment should:

- Explore and document all potential measures, such as upgrades to existing equipment, implementation of energy management strategies, deployment of new technologies, fuel switching, reconfiguration of production processes, and shifting production or product mix to lower-carbon intensive products. [Required]
- Identify other facilities with related products or processes that have implemented projects, actions, or strategies to reduce emissions, and how those could be applied and/or barriers to implementation. [Required]

¹ Practical potential should be assessed on the basis of 'Technology Readiness Levels' as described in [GAO-20-48G](#).

- Consider potential process and/or equipment reconfigurations, in addition to drop-in replacements, as appropriate (e.g. transition from a centralized to a distributed system). [Required]
- Include any available technologies or measures with practical potential for application to reduce greenhouse gas emissions, regardless of whether it can be implemented by January 2027. Projects with longer implementation timeframes should be included as well. Implementation timeframes should be addressed separately from technical feasibility. [Required]
- Provide a summary table using the template in Table 3.1, that:
 - Specifies the estimated/projected annual reductions in covered emissions that could be achieved. [Required]
 - Addresses the technical feasibility of the opportunity. If a project, action, or strategy is deemed not technically feasible, please provide an explanation as to why. [Required]
 - Describes any non-economic, implementation or timeframe issues that may affect technical feasibility², for example, availability of equipment, external infrastructure limitations, or access to clean fuels or electricity. [Required].
- Include a list of information, resources, and documents used to support the development of the technical assessment, including links to webpages that provide access to supporting documents. [Required]
- Additional narrative, figures, and/or calculations related to the technical feasibility assessment and/or potential environmental or health impacts to nearby communities (e.g. impacts on air pollution) that could help Ecology better understand the facility's specific situation and potential technically feasible and infeasible opportunities. [Optional]

Table 3.1. Summary of technical assessment of [insert sub-section category type]

Project, action, or strategy	Reduction in covered greenhouse gas emissions [MT CO ₂ e]	Reduction in emission intensity / unit of product	Technically feasible (yes/no and short explanation)	Implementation / Timeframe issues	Comments/Context on technical feasibility

² Entities may also consider non-cost-related aspects of 'Adoption Readiness Levels' as described by the Department of Energy in the [Adoption Readiness Assessment Tool](#). When reasonable, keep options that qualify based on TRL but not ARL in your assessment and note the relevant adoption challenges in Table 3.1.

Section 4: Economic assessment of emission reduction measures

In this section, the submission must include a **comprehensive economic assessment** of any opportunities identified in Section 3 as **technically feasible**. This assessment should take into account, but is not limited to, engineering and design costs, equipment costs including installation, available tax credits and/or incentive programs, and changes in annual costs resulting from the project, action, or strategy (e.g. energy costs, operations and maintenance costs).

For each technically feasible measure identified in Section 3 the submission must:

- Summarize the results of the economic assessment, including capital expenses, operating expenses, financial incentives, and net present value of each measure. The assessment must include the information and analysis described in Table 4.1 and be submitted in an excel spreadsheet or similar format. The economic assessment should include a three-point estimate that includes minimum, most likely, and maximum costs. Net present value should be calculated for at least three scenarios. [Required]
- Provide additional context on the economic assessment, including but not limited to:
 - The selected cost estimate approach, including the cost estimation class or classification,³ end usage,⁴ and estimated accuracy range summarized in a table. [Required]
 - The interest rates used in net present value calculations (at least three) and an explanation/justification each value's use/selection. [Required]
 - Supporting documentation, as available, such as verified quotes, third-party estimates, etc. [Required]
- Identify which potential measures are, and are not, economically feasible. For any measure considered economically infeasible: [Required]
 - Explain why the project has been classified as economically infeasible.
 - Explain and/or demonstrate why cost pass-through to customers is challenging or not possible. [Required]
 - Explain how the value of no-cost allowances awarded to the facility for the first compliance period (2023-2026), or anticipated to be awarded to the facility during the second compliance period (2027-2030) has been factored

³ Using classifications aligning with a standard cost estimation framework, such those developed by [Advancing Standards and Transforming Markets \(ASTM\)](#), [Association for the Advancement of Cost Engineering \(AACE\)](#), or another established and referenceable framework.

⁴ For example, but not limited to, “feasibility or screening”, “concept study”, “budgeting”, “bidding”, etc.

into the economic feasibility determination. This can account for any no-cost allowance value that has been demonstrated to have already applied to other emissions reductions measures already implemented. [Required]

- Discuss any implementation timeframe considerations that are important for understanding the viability of the project. These include, but are not limited to, project planning cycles, infrastructure upgrades, permitting, and remaining equipment life. [Required]

The submission must also summarize the results for all measures assessed in Section 4 using the template provided in Table 4.2 or similar format.

Table 4.1. Information for economic assessment of each project, action, or strategy

Required Data	Description
Capital expenses	Estimated investment costs and capital expenses (total) of the project, action, or strategy, including but not limited to, engineering and design costs, and equipment and installation cost. Describe and quantify.
Annualized capital expenses	Annualized capital expenses, including description of how the annualized value(s) was determined (may be identified as part of Net Present Value assessment below)
Current annual operating costs	Operating costs of the baseline scenario (generally the current situation) for a typical year. Describe and quantify the operating costs. (may be identified as part of Net Present Value assessment below)
Projected annual operating costs	Projected operating costs for a typical year after the implementation of the emission reduction project, action, or strategy. Describe and quantify the changes in operating costs, including energy and maintenance costs (may be identified as part of Net Present Value assessment below)
Financial incentives	Identify all applicable federal, state, or local financial incentives, such as tax credits or subsidies, or no-cost allowances sold on the secondary market. Describe and quantify.
Net Present Value (NPV)	A spreadsheet showing after-tax net present value of the incremental project, action or strategy based on annual or quarterly income flows using an after-tax weighted average cost of capital. Please show how you have incorporated the value of the emissions savings and reduced compliance cost, along with financial incentives and tax implications. Please identify the number of years the NPV calculation is based upon. Please flag this data as market sensitive / confidential business information at the time of submission.

Table 4.2. Summary of economic assessment and implementation timeframe considerations

Project, action, or strategy	Technical assessment sub-category	Economically feasible (Y/N and short explanation)	Implementation /Timeframe Issues	Comment/Context on economic and/or timeframe feasibility
	Example: Combustion-Related Emissions			

Section 5: Demonstration of WAC 173-446-220(2)(d)(ii) conditions

In this section, the submission must demonstrate that your facility meets the criteria set out in [WAC 173-446-220 \(2\)\(d\)\(ii\)](#) to be eligible for an upwards adjustment to the reduction schedule for the next compliance period.

The submission must demonstrate that at least one of the conditions as specified in [WAC 173-446-220 \(2\)\(d\)\(ii\)](#)(A-C) have been met, including an explanation as to why and any relevant supporting information using Table 5-1. Criteria in [WAC 173-446-220\(2\)\(d\)\(ii\)](#)(A-C) or a similar format.

The submission should also provide commentary to indicate how the facility has met the criteria set out in [WAC 173-446-220 \(2\)\(d\)\(ii\)](#) and that the information provided demonstrates that additional reductions in carbon intensity or mass emissions are not technically or economically feasible using Table 5-2. Criteria on measures implemented and technical and economic feasibility' or a similar format.

Table 5.1. Criteria in WAC 173-44-220(2)(d)(ii)(A-C)

Criterion/condition	Yes/No	Comment and supporting information
A: A significant change in the emissions use or emissions attributable to the manufacture of an individual good or goods that have had a material impact on emissions. <i>This could include, for example, the introduction of a new manufactured good or significant changes to the productive capacity or operations of the facility.</i>		
B: There are significant changes to the EITE facility's external competitive environment that result in a significant increase in leakage⁵ risk. <i>This could include, for example, changes in the trade exposure of the industrial activity for the facility's primary NAICS code as measured by Equation 040-2 in WAC 173-446A-040 or other market characteristics.</i>		
C: There are abnormal operating periods when the EITE facility's carbon intensity has been materially affected so that these abnormal operating periods are either excluded or otherwise considered in the establishment of the compliance period carbon intensity benchmark. <i>This could include, for example, any abnormal operating periods when the facility's carbon intensity was materially affected in a way that limited or restricted the achievement of reductions in carbon intensity or mass.</i>		

⁵ Leakage is defined in the CCA as “a reduction in emissions of greenhouse gases within the state that is offset by a directly attributable increase in greenhouse gas emissions outside the state and outside the geography of another jurisdiction with a linkage agreement with Washington.”

Table 5.2. Criteria on measures implemented and technical and economic feasibility

Criterion	Comment
The facility has provided information and evidence to demonstrate the existing measures that have been implemented by the facility to reduce emissions or emission intensity since the CCA came into effect, i.e. since July 25, 2021.	
The facility has demonstrated that further reductions in carbon intensity or mass are not technically or economically feasible until at least the end of the next four-year period, i.e. until the end of emissions year 2030.	
The facility has demonstrated how an adjustment to the reduction schedule would support, and/or does not preclude future reductions in carbon intensity or mass at the facility during subsequent four-year periods, i.e. from emissions year 2031 onwards.	