



Cap-and-Invest Program Allowance Auction Revenue Forecast Summary June 2026

Purpose

Twice each year, Ecology updates its revenue estimates for the following five years based on Cap-and-Invest allowance auctions conducted under the Climate Commitment Act. With every mid-year forecast, Ecology extends the forecasted period by an additional year. This narrative summary, along with the supporting workbook, outlines the process, key considerations, and methodology used to forecast this fund source.

Background

In 2021, the Legislature passed the Climate Commitment Act (CCA), [Chapter 70A.65 RCW](#), establishing a comprehensive, market-based program to reduce carbon pollution and achieve statutory greenhouse gas limits.

Under the CCA, the Cap-and-Invest Program sets a limit, or cap, on overall carbon emissions in the state and requires businesses to obtain allowances equal to their covered [greenhouse gas emissions](#).¹ These allowances can be obtained through [quarterly auctions](#)², by direct allocation from Ecology, or bought and sold by entities on a secondary market. The emissions cap is reduced each year to help ensure Washington achieves its 2030, 2040, and 2050 emissions limits. The declining cap means Ecology issues fewer emission allowances each year. Issuing fewer emission allowances year after year will result in lower revenue year after year.³

The Cap-and-Invest program began on January 1, 2023. The first allowance auction took place on February 28, 2023. As of June 2026, Ecology has held fourteen quarterly auctions and seven [Allowance Price Containment Reserve](#) (APCR) auctions. Refer to the accompanying June 2026 Auction Revenue Forecast Excel workbook and the sheet “Revenue-Historic Actuals” for specific auction results and cumulative revenue info to date.

For more information on the Cap-and-Invest Program, please visit: <https://ecology.wa.gov/Air-Climate/Climate-Commitment-Act/Cap-and-invest>.

Accounts and Revenue Overview

The CCA established three primary accounts to house Cap-and-Invest auction proceeds until they are appropriated for specific uses and projects by the Legislature: The Climate Investment Account (CIA), the Carbon Emission Reductions Account (CERA), and the Air Quality & Health Disparities Improvement Account (AQHDIA). The 2021 Legislature also created two accounts which receive revenues from the CIA: the Climate Commitment Account (CCA) and the Natural Climate Solutions Account (NCSA). Funds from each of these five accounts are appropriated by the Legislature to be invested in specific types of climate, environmental justice, and ecological projects throughout the state. The amount of funds deposited in each account is set in statute.⁴ Prior to June 2025, the CERA included two additional accounts, the Climate Active Transportation and Climate Transit Program Accounts. The Legislature repealed these accounts in Chapter 417 Laws of 2025 (ESSB 5801, Sec 801). All residual funds in the two accounts were deposited back into CERA.

The Legislature again adjusted the structure of these accounts in Chapter 219 Laws of 2026, effective in July 2027. The passage of [HB 2251 \(2026\)](#) restructured the Climate Commitment Act’s revenue account framework, starting in FY2028. This consolidates three legacy accounts into two new ones: the CCA Operating Account and

¹ <https://ecology.wa.gov/Air-Climate/Climate-Commitment-Act/Cap-and-invest/Emissions-reporting>

² <https://ecology.wa.gov/air-climate/climate-commitment-act/cap-and-invest/auctions-and-market>

³ Cumulative emissions are strongly encouraged to remain under cumulative allowance supply—any entity that does not provide sufficient allowances by a compliance deadline may face a penalty under [WAC 173-446-610](#).

⁴ <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.65.100>



the CCA Capital Account. The former Climate Investment, Climate Commitment, and Natural Climate Solutions accounts are abolished. The Carbon Emissions Reductions Account (now renamed the Climate Commitment Act Transportation Account) and the Air Quality and Health Disparities Improvement Account (AQHDIA) remain. The “HB 2251 Accounts Model” worksheet in the Excel workbook illustrates how these funds may be distributed among the new accounts over time (note, this worksheet is provided only for modeling purposes, it does not represent a forecast of future years revenues).

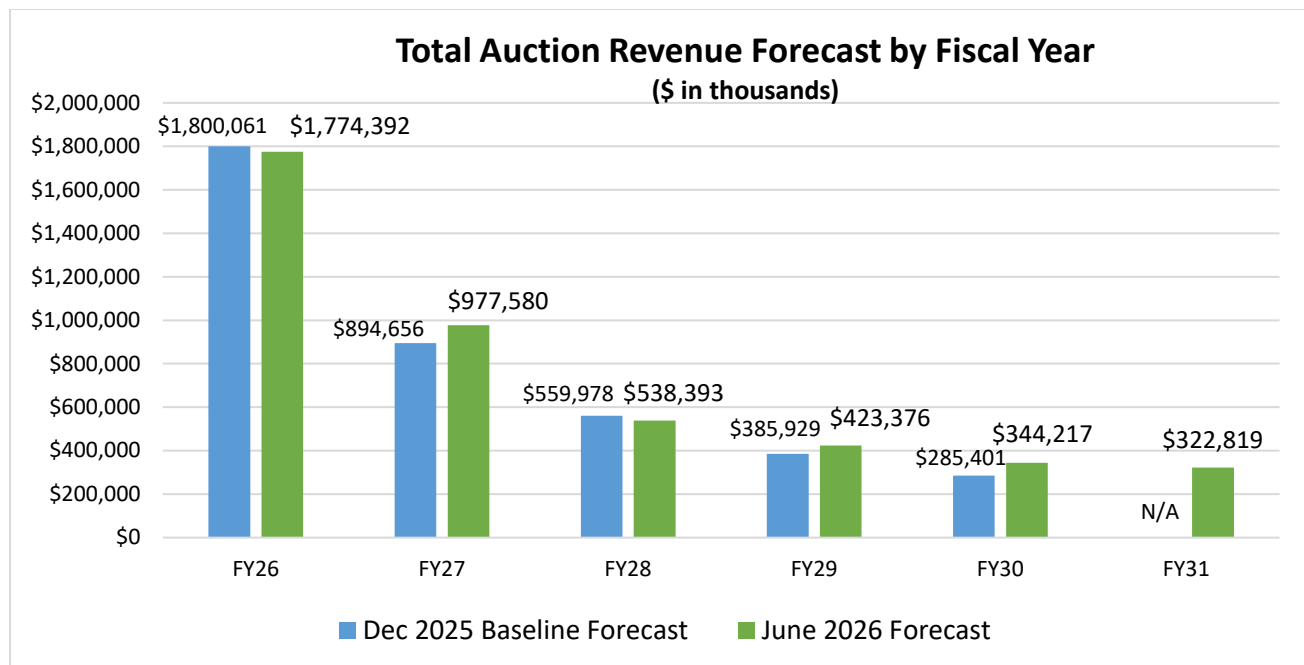
The description of how auction revenue will be distributed into each of these funds is covered on the “Forecast Summary” and “HB 2251 Accounts Model” worksheets of the Excel workbook. Read more about auction revenue and the latest on account structure on [Ecology’s Cap-and-Invest Auction Revenue](#) webpage.⁵

Updated Revenue Forecast

Ecology provided its first (informal) revenue estimates for the Cap-and-Invest Program auctions in October 2022, prior to holding its first quarterly auction. The first official revenue forecast was prepared and published by Ecology in November 2023. The revenue estimates provided in the summary below reflect information that is current as of June 2026. This includes information regarding auction results, observations of the secondary market for allowances, assumptions about allowance supply and allocations for Washington’s program, as well as the latest understanding of the impact of implementation of regulations, rulemaking, and market guidance.

Washington’s Cap-and-Invest Program is designed to be compatible with the joint carbon market operated by California and Québec, allowing for future linkage. While Washington currently runs its market separately, Ecology expects to begin operating a linked market in 2027.

Figure 1: FY26-FY31 Revenue Forecast Comparison, December 2025 to June 2026



⁵ <https://ecology.wa.gov/air-climate/climate-commitment-act/auction-revenue>



Table 1: Cap-and-Invest Program Allowance Auction Revenue Forecast - Summary FY26-FY31

\$ in thousands	FY26 (Actual)	FY27	FY28	FY29	FY30	FY31	FY26-30	FY27-31	FY26-31
Total Auction Revenue ¹	\$1,774,392	\$977,580	\$538,393	\$423,376	\$344,217	\$322,819	\$4,057,958	\$2,606,385	\$4,380,777
26A - CERA (CCA Transportation as of FY28)	\$359,117	\$359,117	\$359,117	\$300,000	\$231,568	\$215,218			
26E - AQHDIA	\$2,600	\$2,600	\$0	\$0	\$0	\$0			
26B - CIA	\$1,412,675	\$615,863	<i>repealed</i>	<i>repealed</i>	<i>repealed</i>	<i>repealed</i>			
30P - CCA Operating*	n/a	n/a	\$80,000	\$74,688	\$65,066	\$63,378			
30Q - CCA Capital	n/a	n/a	\$99,276	\$48,688	\$47,583	\$44,223			

¹The passage of HB 2251 (2026) restructured the Climate Commitment Act's revenue account framework, starting with FY2028.

This consolidates three legacy accounts into two new ones:

The CCA Operating Account and the CCA Capital Account.

The former Climate Investment (CIA), Climate Commitment (CCA), and Natural Climate Solutions accounts are repealed.



Overview and Market Context: June 2026

Through the first half of 2026, the Washington State Cap-and-Invest Program has been engaged in program-wide rulemaking that addresses several major market related topics. These efforts will result in significant structural changes to how the program operates. The most consequential areas of work are the implementation of HB 1975 (2025) and the latest developments on the path toward program linkage between Washington and the cap-and-trade systems of other jurisdictions, as well as progress toward establishing a final linkage agreement.

These developments influence Washington's carbon market in multiple ways, including the behavior of participants in both Ecology-hosted auctions and the secondary market, the value of allowances, and the compliance strategies adopted by covered entities, which impact the price entities are willing to pay for allowances in those markets. The effects evolve over time as policy decisions are made and as information from potentially linked jurisdictions becomes available.

Within the statutory and rule requirements for implementing the program, and with awareness of external decisions that may affect Washington, Ecology continues to prioritize providing timely, transparent information to the market. Ecology's goal is to support equal access to relevant updates as soon as they can be shared.

Providing a point-in-time forecast of revenue amid these changes faces many challenges. Prior forecasts have not contemplated the timing or price impact of program linkage and, while market behavior may have captured, to some degree, the future impacts of program linkage, this forecast will be the first to do so in an explicit way. For the latest information about program linkage and an overview of how the markets will interact, please review [Ecology's Cap-and-Invest Linkage webpage](#).⁶

This forecast also captures the changes to the program resulting from the expected impacts of the Cap-and-Invest Program Updates and Linkage rulemaking from the implementation of HB 1975 (2025). Read more about [guidance related to implementing HB 1975](#).⁷

Over time, the forecasting methods have evolved with changing conditions. Unlike previous versions that included high and low revenue scenarios alongside a baseline forecast, this iteration provides a single forecast. It highlights key assumptions, caveats, and considerations for anyone wanting to explore alternative outcomes or factors that could influence future allowance prices or the supply of allowances available for auction.

⁶ <https://ecology.wa.gov/air-climate/climate-commitment-act/cap-and-invest/linkage>

⁷ <https://apps.ecology.wa.gov/publications/documents/2614035.pdf>



Revenue Summary

Washington's operating budget is enacted on a biennial and fiscal year basis. In this June 2026 Revenue Forecast, total auction revenue across fiscal years 2026 through 2030 is projected at \$4.06 billion. This represents an increase of approximately \$131.9 million compared to the December 2025 forecast for the same time period.

The June 2026 forecast also includes an initial projection for FY31, estimating an additional \$322.8 million in revenue. Together, revenues for fiscal years 2026 through 2031 total roughly \$4.38 billion.

Relative to the December 2025 forecast, this update reflects higher than expected biennial revenues: an increase of \$57.2 million for the 2025-27 biennium (including actual revenue through FY26), an increase of \$15.9 million for the 2027–29 biennium, and an increase of \$58.8 million in FY2030.⁸

The increase in projected revenue compared to the December 2025 forecast is driven primarily by the increase in number of allowances expected to be available for sale at quarterly auctions due to expected implementation of HB 1975 (2025).

Program linkage, which Ecology expects to be effective in 2027, will very likely result in much lower current vintage auction allowance settlement prices than have been seen in Washington in recent auctions. While the average settlement price for allowances in Washington in the prior four quarterly auctions was about \$66 per allowance, when linked, **this forecast projects settlement prices in 2027 to be closer to \$33 per allowance.**

When calculating expected revenue, the impact of the additional allowance supply more than makes up for the impact of lower settlement prices at auction.

Previous revenue forecasts conservatively assumed that APCR auctions would not be triggered and therefore did not include APCR revenue. APCR auctions were triggered by the December 2025 and March 2026 quarterly auctions, but not triggered by the June 2026 quarterly auction. While HB 1975 created an additional 14 million APCR allowances (including new deposits to the reserve of 5% of annual budgets from 2031-2040), due to the expectation of linkage and likelihood of much lower allowance prices at auction, no revenue is expected from the sale of APCR allowances.

The June and December 2025 forecasts highlighted the statute requiring that the first \$359.1 million in revenue each fiscal year (2026–2037) be deposited into the Climate Emissions Reduction Account (CERA).⁹ With the changes described above related to HB 1975 and program linkage, and due to changes to the CCA Accounts (HB 2251) that will be effective starting in FY2028, the risk of auction revenue falling short of that statutory requirement has decreased. Actual revenues continue to depend on a range of factors, and each forecast will provide a clearer picture as market conditions evolve. Ecology will continue to monitor auction results and coordinate with the Office of Financial Management and the Legislature as appropriate.

Washington's Cap-and-Invest Program, now in its fourth year, continues to show near-term volatility. The projections in this forecast reflect Ecology's best estimate based on currently available information, but actual auction proceeds may vary depending on settlement prices and other market factors. The forecast uses a simplified methodology and basic assumptions, and does not attempt to model the complex effects of regulatory changes, complementary policies, or detailed demand responses beyond general alignment with price trends in

⁸ An earlier version of this report added increases for three fiscal years, FY27, FY28, and FY29, and incorrectly presented that total (\$98.8M) as the increase for the 2027–29 biennium. The comparison to the December forecast for that biennium should only include the changes for FY28 and FY29, which is \$15.9M. The total forecasted values are unaffected. This typo was fixed on July 20, 2026.

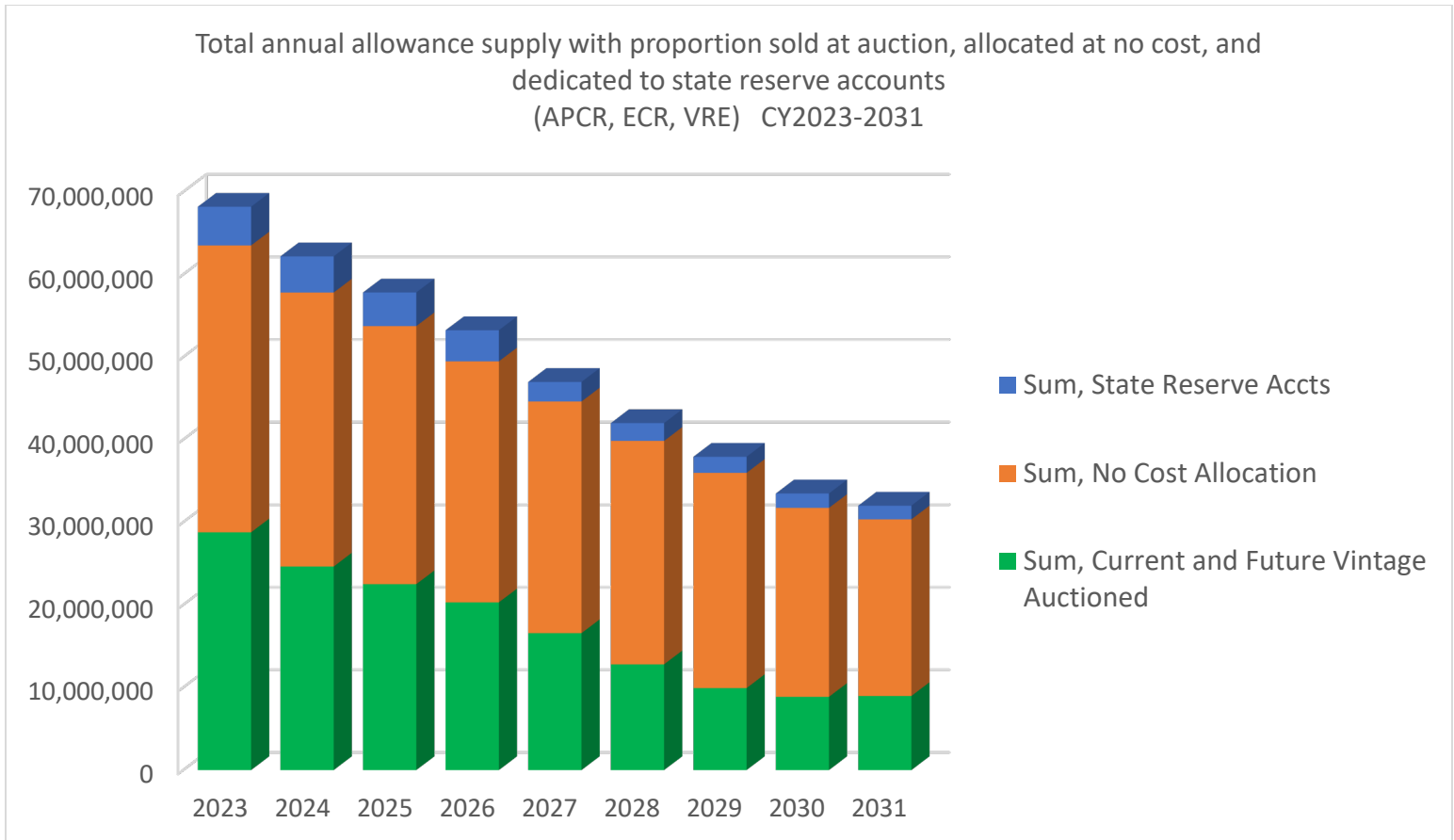
⁹ [RCW 70A.65.100\(7\)\(d\)](#)



the linked California–Québec market. However, it offers a reasonable framework for assessing near-term revenue expectations given current market conditions. Because of these uncertainties, Ecology advises caution when using forecasted revenues for legislative appropriation decisions.

Aside from accounting for the impacts of HB 1975 on the annual allowance budgets, the state-owned allowance supply available for auction is also variable and depends in part on annual no-cost allowance allocations to covered entities, including electric utilities, natural gas utilities, and emissions-intensive, trade-exposed industrial facilities (EITEs). No-cost allocation reduces the number of state-owned allowances available for auction and, correspondingly, state revenue. Future annual allocation of allowances to electric utilities is difficult to predict due to regulatory changes, market dynamics, the carbon intensity of the fuel mix used by those utilities, and more, but Ecology is using our best professional judgment and reasonable assumptions to make those estimates. Assumption for no-cost allocation are updated in each December iteration of the auction revenue forecast based on information that becomes available in late fall each year. [Read more about no-cost allowance allocation](#).¹⁰

Figure 2: Total annual supply of state-owned allowances sold at auction, allocated at no cost, and placed in state reserve accounts (APCR, ECR, VRE; CY2023-2031)



¹⁰ <https://ecology.wa.gov/air-climate/climate-commitment-act/cap-and-invest/no-cost-allowances>



Summary of Changes Between Previous Forecasts and this June 2026 Forecast

The methods used to create this auction revenue forecast have changed over time. This has been in response to better information, changing regulatory landscape, and dynamic market conditions.

The forecasts Ecology released in [November 2023](#) and [June 2024](#) used similar methodology, which projected future allowance prices based on a rolling average of the previous auction settlement prices in each jurisdiction, and then deriving the average prices from those averages as the baseline for future, inflation-adjusted allowance price increases.

The forecast Ecology released in [December 2024](#), [June 2025](#) and [December 2025](#), used a different methodology, which still included a baseline forecast with low and high bounding scenarios. The high bounding scenario used expected Washington prices that were forward looking based on observed trading on the secondary market. The most recent current auction settlement price, and next three current auction settlement prices, were used to create an average of the ‘most recent four auctions’, three of which were estimated based on discounted secondary market prices. Refer to the [December 2025 Auction Revenue Forecast](#) for more information about that method.

The method used to create this June 2026 forecast has again changed. With the expectations for how HB 1975 will be implemented, many more allowances will be offered from budget years 2023-2026 (roughly 5.5 million) as well as, potentially, via the APCR (roughly 14 million). [Ecology released guidance in June 2026](#) describing that, between the quarterly auctions and potential APCR auctions, almost 20 million additional allowances may be made available prior the first quadrennial compliance. Many factors influence the price and volume of the allowances that will be sold, primarily the timing of linkage and expectations by the market of how linkage will impact the value of Washington allowances.

The intent is to provide the most accurate information based on currently available information, such that the Governor, the Legislature, and other interested parties can plan for the near future.

Several factors explain the change in forecasted revenue relative to the December 2025 forecast. Previously, the forecast relied on settlement prices from quarterly auctions in both Washington and the California–Québec joint market. In contrast, this forecast draws more heavily on futures prices observed in secondary markets.

Although average settlement prices in Washington’s last four auctions (September 2025 through June 2026) were about \$66 per allowance, the anticipation for market linkage, and the resulting convergence toward a single joint-market price, indicates that the settlement price for allowances in future auctions will align much more closely with the allowance prices observed in the California/Quebec joint market. There, average prices in 2025 and 2026 were just over \$28 per allowance, with current secondary market pricing trending toward \$33-35 per allowance.

Quarterly auction results in the separate markets provide only periodic snapshots of market sentiment. Futures trading in the secondary market, however, offers daily insight into expectations for future allowance prices and therefore a more up to date representation of market sentiment.



- Washington state-owned allowance supply:
 - The [Electric Utility Allowance Allocation Schedule](#)¹¹ is updated each October and reflects the latest information related to determining allowance allocation to utilities. Actual value of allowances allocated through 2026 are used in this forecast, with best professional estimates for calendar year 2027 through 2031.
 - In each semiannual auction revenue forecast, along with a declining annual emissions cap, updates to no-cost allowance allocation assumptions have been the primary reason for a decreasing number of state-owned allowances to be sold at auction, and therefore state revenue. Increases to forecasted allocation to electric utilities means fewer state-owned allowances are available to auction.
 - This forecast assumes an additional 2,283,774 allowances are allocated to electric utilities in 2027 through 2030 compared to December 2025 forecast. The increase in forecast allocation is due to an increased retail load assumption.
 - Department of Commerce's most recent Washington State Electric Utility Resource Planning report indicates increases in forecast state-wide load growth are primarily driven by significant load growth from data centers forecasted by the Mid-Columbia utilities.¹²
 - **The revised estimate does not reflect Ecology's final allocation schedule for 2027 through 2030.** Actual information about the number of allowances allocated to utilities will not be available until late 2026, and that information will be used to update estimates for the December 2026 Revenue Forecast.
 - Values listed in Table 13 are based on reasonable estimates of likely electricity sector responses to regulatory requirements, expected fuel mix, and other factors. As with other aspects of this revenue forecast, these assumptions will be revised over time as information changes. Read more below, and see Table 13 in Appendix A-Supply Tables of the accompanying Excel worksheet for specifics about this change.
- Passage of 2SHB 1975 (Chapter 320, Laws of 2025):
 - This bill adjusts the APCR supply, tier 2 price, and Price Ceiling Unit price. Rulemaking to implement HB 1975 is currently underway and is expected to be in effect before October 2026.¹³
 - Beginning in 2031, additional allowances will be removed from the annual budgets (2031-2040) and transferred to the APCR account.
 - The primary impact of this bill on the June 2026 Forecast is the addition of 5.5 million vintage 2023-2026 allowances to be offered in the December 2026 quarterly auction (revenue to be realized in FY27).

¹¹ <https://apps.ecology.wa.gov/publications/summarypages/2302031.html>

¹² Washington State Department of Commerce. Washington State Electric Utility Resource Planning 2024 Report. December 2025. <https://deptofcommerce.app.box.com/s/ya6d3ip0cn6bnkh57ogznae45ukucdvh/file/2083876989073>

¹³ <https://ecology.wa.gov/regulations-permits/laws-rules-rulemaking/rulemaking/wac-173-441-446-cap-and-invest-program-updates-and-linkage>



Explanation of changes among tables

The following section provides an explanation of the major allowance supply changes compared to the December 2025 forecast for each affected table found in Appendix A. Unless otherwise noted, the total number of allowances changed from the previous forecast refers to the total change across calendar years 2026-2030.

○ **Table 8: Total Allowance Supply**

- Adjustments to annual allowance supply as a result of HB 1975 results in an additional **21,075,564 allowances for 2023 through 2031** (as well as additional allowances in each year, through 2050). This increase in allowances increases the starting value for each year, and it is from the annual supply value that deposits to reserve accounts, allocation to EITEs and utilities, and removal of allowances from use of offsets to meet compliance obligations is taken.

○ **Table 9: Allowance Price Containment Reserve (APCR) Allowances**

- Five percent of allowances from each year are deposited into the APCR. An increase in annual allowance supply (Table 8) requires a commensurate increase in allowances to the APCR. HB 1975 newly draws about 13 million allowances from 2031 through 2040. For allowance budget years 2023-2030, only the 5% of the cap-adjusted supply of allowances are added to the APCR. Those are added to the remaining supply of the original 18.6M allowances that were deposited into the APCR in 2023. This results in **1,053,778 new APCR allowances** from 2023-2030, and 1,660,057 new APCR allowances from 2031. Refer to the [HB 1975 guidance](#) issued by Ecology in June 2026 for more information about APCR allowances from 2031-2040.¹⁴

○ **Table 10: Emissions Containment Reserve (ECR) Allowances**

- Two percent of allowances from each budget year must be deposited into the ECR. As a result of the implementation of HB 1975, 2% of the cap-adjusted allowances from budget years 2023-2026 must be deposited into the ECR. Different than with APCR, these allowances are only sourced from 2023-2026 (the first full compliance period). Two percent of the additional allowances created by the cap-adjustment is **120,215 allowances deposited into the ECR**.

○ **Table 11: Voluntary Renewable Energy (VRE) Allowances**

- For the VRE, 0.33% of allowances from each budget year must be deposited into this account. As a result of the implementation of HB 1975, 0.33% of the cap-adjusted allowances from budget years 2023-2026 represents **an increase of 19,836 allowances**. Like the ECR, and different from the APCR, these are only sourced from 2023-2026.

○ **Table 12: EITE Allowance Allocation**

- Ecology allocates allowances to EITEs primarily through an allocation that scales with production. Actual allocation for 2026 was published on 10/24/25. Actual values for 2023 through 2026 are used in this table. Starting with the second compliance period, in 2027, EITE allocation is reduced by 3% consistent with WAC 173-446-220(2)(a) and is estimated based on the average of the previous four years, where actual allocation is known.

¹⁴ Based on a slightly different set of assumptions, the specific values in the auction revenue forecast may differ slightly from those shared in other places by Ecology, like market guidance. As always, please refer to specific auction notices for the official and final number of allowances to be offered at each auction.



- This forecast adds estimates through 2031, where an additional 3% reduction in allocation takes effect (from 97% to 94% of baseline emission related to production). Aside from the addition of an estimate for 2031, this table did not change. Values for 2027 allocation will be published in late 2026. This will result in an update to allocation, and future estimates, in the December 2026 Auction Revenue Forecast. [Read about emissions-intensive, trade exposed industries EITEs.](#)¹⁵
- **Table 13: Electric Utility Allowances**
 - Allocation is based on each utility's forecast of retail customer need (retail load) and expected resource supply to meet that retail need. That projection of resource supply is multiplied by the applicable greenhouse gas emissions factors. This forecast incorporates the annually updated [Bonneville Power Administration Asset Controlling Supplier emissions factor](#)¹⁶, updated energy assumptions about rate of decarbonization, and utility-specific calculations.
 - The values in the table assume **an additional 2,283,774 allowances are allocated** to electric utilities in 2027 through 2030 compared to the December 2025 forecast. The increase in forecast allocation is due to an increased retail load assumption. [Read more about electric utility allocation here.](#)¹⁷
- **Table 14: Natural Gas Utility Allowances**
 - The program rule update, which is expected to be in effect in late 2026, will change allocation to natural gas utilities for 2027 – 2030 from reducing by 7% of baseline, to reducing by 6.1% of baseline each year. This smaller rate of reduction means more allowances are allocated to natural gas utilities, for an **increase of 779,961 allowances** compared to December 2025.
 - In the future budget years, 2031 – 2050, the annual rate of reduction changes from reducing by 1.8% or 2.6%, to reducing by 2.3% each year, consistent with statute and the updated total program allowance budgets.
- **Table 15: Offset Usage**
 - In Washington's Cap-and-Invest program, offsets are treated as "under the cap." This means the total annual allowance budget is reduced by the number of offsets that entities actually use for compliance, with the reduction applied two years after the offsets are used. Beginning in 2027, per [WAC 173-446-250](#)¹⁸, the number of allowances equal to the offsets used for a given compliance year is removed evenly *across the next three years' allowance budgets* and permanently retired.
 - For forecasting purposes, Ecology assumes offset usage equal to 3% of the emissions budget each year. Based on expected 2025 offset use at the 2026 compliance event, the 2027 removal is estimated as one-third of the 3% amount, or 202,508 allowances. That reduction is then added to the assumed offset usage for the following two years, along with one-third of each of those years' expected offset totals.
 - This change in method **increases by 742,431 allowances** the forecast supply available for auction between 2026 and 2030 compared to the December 2025 forecast.
 - The estimates for total offsets to be submitted for compliance will be refined as the offset market continues to develop.

¹⁵ <https://ecology.wa.gov/air-climate/climate-commitment-act/cap-and-invest/no-cost-allowances#allocationEITEs>

¹⁶ <https://apps.ecology.wa.gov/publications/documents/2302002.pdf>

¹⁷ <https://ecology.wa.gov/air-climate/climate-commitment-act/cap-and-invest/no-cost-allowances>

¹⁸ [WAC 173-446-250](#): (1)(b) Removing and retiring allowances



- **Table 16: State-Owned Future Vintage Auctioned Allowances**
 - Future vintage allowances are offered for sale at auction from three years in the future, with 10% of annual budgets being offered at auction simultaneously as current vintage allowances. Adjustments to annual allowance budgets as a result of HB 1975 results in a net **increase of 1,394,424 future vintage allowances offered in 2026 through 2030.**
 - Beginning in 2023, Ecology offered future-vintage allowances at every other quarterly auction. Starting in 2027, rule updates expected to take effect by the end of 2026 will shift this schedule so that future-vintage allowances are offered at every quarterly auction. This change does not affect the timing of when revenue is received because auction proceeds still arrive in the fiscal year in which each auction occurs
- **Table 17: State-Owned Current Vintage Auctioned Allowances**
 - Table 17 represents the net remaining current vintage allowances remaining for sale by Ecology after deposits to reserve accounts, direct no cost allocation to utilities, and those anticipated to be removed from future budget years as a result of offsets being used to meet annual compliance obligations.
 - **Current vintage allowances to be sold in CY2026 through CY2030 increased by a total of 17,111,186 compared to the December 2025 Forecast.** This includes the additional 5.5 million allowances from CY2023-2026 to be offered at the December 2026 auction.
 - This substantial increase is primarily driven by the implementation of HB 1975, as well as slight adjustment to the timing of when offsets under the cap are removed from annual budgets, based on rulemaking that is expected to be in effect by the end of 2026.

Considering both the large increase in allowances available for auction resulting from HB 1975 and the expected decline in settlement prices following linkage with the California–Québec market, the combined effect for fiscal years 2026 through 2030 is a net revenue increase of **\$131.9 million, or about 3.3%** higher than projected in the December 2025 Forecast.



Forecasting Methodology for Estimating Revenue Proceeds

Forecasting Settlement Prices

As described in the **Overview and Market Context: June 2026** section of this document, and in prior forecasts, Ecology has continually refined its approach to estimating future settlement prices as new information becomes available. Earlier forecasts emphasized rolling averages of recent auction results, while more recent forecasts incorporate forward-looking secondary market data and updated assumptions. Ecology has consistently indicated its willingness to adjust its methods to improve accuracy and reliability.

The first four years of the Washington Cap-and-Invest program have reflected the not unexpected volatile behavior of a new market with new participants ‘finding their footing’ and responding to periods of regulatory uncertainty and shifting expectations.

The program’s first four years have exhibited the expected dynamics of an emerging carbon market, with participants responding to regulatory uncertainty, evolving expectations, and early-stage market behavior. By 2027, Ecology anticipates completing and implementing significant program and market related changes, including developments related to potential linkage with the California–Québec market.

Accurately forecasting settlement prices will continue to depend on a range of geographic, regulatory, and political factors. Ecology will continue to monitor these developments and incorporate them thoughtfully into future forecasts so that revenue projections remain as accurate and useful as possible for lawmakers and agencies responsible for planning the use of Climate Commitment Act funds.

Finally, while this forecast applies the current methodology for estimating Washington settlement prices, Ecology remains open to further refinements as market conditions evolve and new data become available. Future updates may incorporate methodological changes where doing so would enhance the accuracy, reliability, or clarity of the forecast.



Forecasting Auction Revenue

Auction revenue is calculated by multiplying the number of state-owned allowances available for sale at each quarterly auction by the estimated settlement price. The supply figures used in this forecast reflect only those allowances owned by the state and exclude allowances consigned for sale on behalf of electric utilities. As a result, the auction specific supply shown in Auction Notices may differ from the values presented in the appendices and worksheets accompanying this summary

Ecology's prior auction revenue forecasts included both high and low bounding scenarios to illustrate a range of potential revenue outcomes. In contrast, the June 2026 Forecast provides a single forecast scenario covering fiscal years 2027 through 2031, along with confirmed revenue for FY 2026. This change reflects the anticipated linkage between Washington's market and the joint California–Québec market beginning in 2027.

Once linked, all allowances will trade within a single, unified market, resulting in one settlement price rather than separate Washington and California–Québec prices. Previously, the average Washington price informed the high bounding scenario and the California–Québec price informed the low bounding scenario. With linkage, allowances of any current or prior year vintage purchased at auction will be fully fungible across jurisdictions and may be used by compliance entities regardless of their origin.

Because of this fungibility, the exact date of the first joint auction is less important than confirming that allowances will be tradable across jurisdictions before the quadrennial compliance deadline on November 1, 2027. Any trades or purchases of eligible allowances completed before that deadline, and deposited into entity compliance accounts in the Compliance Instrument Tracking System Service (CITSS), can be used to meet full annual obligations for 2023–2026. This forecast reflects that expectation by incorporating the anticipated secondary market price, and therefore the expected quarterly auction price, for those allowances.

In a linked market revenue generated by each jurisdiction at auction is based on the proportion of allowances that each jurisdiction contributed to the supply sold. For example, if Washington contributes ten percent of the supply sold at a specific auction, then ten percent of the revenue is returned to the state. The revenue generated at each auction is accrued to the State Treasury and then made available for appropriation by the state Legislature.

See the [Report to the Legislature: Climate Commitment Act Investments Fiscal Year 2025](#)¹⁹ and [CCA Dashboard](#)²⁰ for more information about where and how agencies have invested auction revenue from CCA accounts, including information about emissions reductions, supportive Tribal resolutions, and benefits to vulnerable populations within overburdened communities.

¹⁹ <https://apps.ecology.wa.gov/publications/SummaryPages/2514107.html>

²⁰ <https://climate.wa.gov/washington-climate-action-work/climate-commitment-act-polluters-pay-communities-benefit/cca-dashboard-how-climate-commitment-act-funds-are-invested>



Allowance Settlement Price Calculation

Ecology's quarterly auctions serve as the primary market where entities purchase allowances. A secondary market also operates, enabling daily trading among participants and providing continuous, real time insight into expected allowance values. Platforms such as the Intercontinental Exchange (ICE) and Nodal Exchange facilitate these transactions and offer observable prices for Washington Carbon Allowances (WCAs) across multiple vintages. Because these markets respond more quickly to evolving regulatory and economic conditions than quarterly auctions, they offer a more immediate indicator of market expectations for future settlement prices.

As of late June 2026, the benchmark price (December delivery) for vintage 2026 WCAs fluctuated around \$54 per allowance. Recognizing that secondary market prices may trade at either a premium or a discount relative to auction settlement prices, this value, \$54, was used as the expected settlement price for the December 2026 quarterly auction. For the September 2026 quarterly auction and ECR Auction #1, also in September, the forecast applies a slightly lower price of \$52 as a conservative hedge relative to the December benchmark.

Earlier forecasts used more granular discounting methods tailored to the specific timing of each auction. This iteration does not. Such precision implied a degree of accuracy that cannot reasonably be expected. Relying instead on a simplified price assumption and modest inflation or discount factors provides a sufficient level of accuracy for forecasting purposes, while improving transparency and avoiding overly engineered calculations.

Although small price difference can shift annual revenue by tens or hundreds of thousands of dollars, these variations are minor compared with the broader forces that influence allowance supply, demand, and price and that cannot be reliably predicted years in advance. Actual auction outcomes will be shaped by multiple, often offsetting factors whose influence changes over time, including the timing and substance of regulatory developments such as rulemaking or potential market linkage, broader economic and geopolitical conditions, domestic policy uncertainty, and evolving compliance and investment strategies among market participants.

Given these dynamics, the baseline forecast should be interpreted as a conservative estimate rather than a precise prediction of settlement prices at future auctions. Minor hedges are intentionally incorporated to strengthen the reliability of near-term aggregate revenue expectations, while recognizing that individual auction results may differ meaningfully from the forecast.

Ecology calculates potential current and future vintage allowance prices and applies adjustments for inflation. Allowance supply for each auction reflects the declining annual budget of state-owned allowances, distributed across the four quarterly auctions.

Future vintage allowances are offered three years prior to their vintage year, and any unsold future vintage allowances will be reintroduced to the current supply in the year that matches their vintage.

This forecast should not be used as a prediction of prices or revenues *for any single auction*, nor does it assume specific timing or specific impact of regulatory actions, beyond what is currently observable and publicly known. Instead, it provides a reasonable planning baseline for budgetary purposes, informed by available data and subject to revision as conditions evolve.



Allowance Price Containment Reserve (APCR) Auctions

Ecology is required by rule²¹ to offer an APCR auction when the preceding quarterly auction settles above the Tier 1 price (\$65.26 in 2026), as well as each year before the annual compliance deadline. APCR allowances can be used to meet compliance obligations in any year, including for previous years. Prior revenue forecasts assumed no revenue from these APCR auctions.

While the High bounding scenario in the December 2025 Forecast anticipated revenue from APCR auctions through 2027, progress on linkage and market expectations suggest that quarterly auctions prices in the near term will not be high enough to trigger APCR auctions.

APCR auctions will be offered annually before each compliance event, regardless of quarterly auction settlement prices. Read more about APCR Auctions on Ecology's [Auctions & Market webpage](#) and in the [Annual APCR Tier Price Notice](#), as well as the specific impact of HB 1975 on APCR supply and Tier Prices in the [HB 1975 implementation guidance](#) issued by Ecology in June 2026.

²¹ [Chapter 173-446-370 WAC:\(2\)c](#)



Update on Market Linkage

The CCA directs Ecology to evaluate whether to link Washington's Cap-and-Invest market with other jurisdictions and provides specific criteria that must be met before linking. A linkage agreement is a non-binding agreement that sets expectations for information sharing, cooperation, and accounting. It doesn't create new regulations or change existing regulations. That can be done only through each jurisdiction's rulemaking process and changes to laws (statutes) made by legislators.

On June 25, 2026, Washington signed a [carbon market linkage agreement](#)²² with California and Québec. California and Québec continue to work through their own processes to link. Pending updates to regulations and the completion of other statutory process steps across all three jurisdictions, Ecology expects to begin operating a linked market in 2027.

Refer to prior sections in this Revenue Forecast that describe the expected impact of market linkage on auction settlement prices and expected revenue and read about the latest on Ecology's [Cap-and-Invest program linkage](#) webpage.²³

²² [Agreement on the Harmonization of Carbon Market Programs for Reducing Greenhouse Gas Emissions:](https://apps.ecology.wa.gov/publications/documents/2614018.pdf)
<https://apps.ecology.wa.gov/publications/documents/2614018.pdf>

²³ <https://ecology.wa.gov/Air-Climate/Climate-Commitment-Act/Cap-and-invest/linkage>



Current and Future Vintage Prices

Ecology separately calculates proceeds from the future and current vintage auctions because future vintage auctions may consistently sell at a different price.

- Current vintage proceeds in year X =
(Current vintage price in year X as set forth below) * (Current vintage supply in year X)
- Future vintage proceeds in year X =
(Future vintage price in year X as set forth below) * (Future vintage supply in year X)

Estimating Allowance Price Starting Point, Inflation, and Escalation Factor

The June 2026 Revenue Forecast creates a single revenue estimate. Table 0 in the “Allowance Price Tables” worksheet provides an estimate of the price of allowances in the joint California-Quebec market, based on indications from the secondary market as of late June 2026. From this starting price, auction prices in calendar year 2027 are inflated at an annual 7.5% to reflect the rule-required 5% annual increase in the floor price of allowances, and an assumed annual CPI of 2.5%. The forecasted settlement price for the first Washington quarterly auction in 2027, Auction #17 March 2027, is inflated from forecast starting price value. Every auction in 2027 onward will include both current and advance auctions.

The allowance price floor, price ceiling unit price, and APCR tiers all increase annually at a rate of 5%, plus inflation. The assumed inflation rate is 2.5% for each year of the forecast (see Table 4). This represents an annual increase of 7.5%, which is called the escalation factor. The forecast escalates the allowance price for the first quarterly auction in 2027 based on the price in Table 0.

The escalation factor is applied to the allowance prices within each forecast on a quarterly basis. Allowance prices are escalated every three months for current vintage auctions, and every six months for future vintage auctions. Each quarter’s current vintage allowance price is increased at an escalation rate such that the March 2028 current vintage allowance price is 7.5% (107.5% minus 100%) higher than the forecasted March 2027 current vintage allowance price. This pattern is repeated for each auction price through FY2031.

Table 4: Annual Inflation Factor by Calendar Year

Calendar Year	Annual U.S. Consumer Price Index
2027-2031	2.5%



Estimating Allowance Supply

The Cap-and-Invest program creates an 'allowance budget' equal to the emissions cap for each year. The CCA directs Ecology to auction allowances from the current 'budget' as well as from the budgets of future years. Below is a high-level summary of how Ecology calculates the current vintage supply and future vintage supply to be offered at auctions for each fiscal year.

- Current Vintage Supply = Total Allowance Budget minus each of the following:
 - **Reserves:** APCR, Emissions Containment Reserve, and Voluntary Renewable Electricity Reserve set asides (a combined 7.33% of each yearly budget).
 - **No-Cost Allocation:** Allowance allocation to Emissions-Intensive, Trade-Exposed (EITE) industrial market participants, electricity, and natural gas (roughly 66% of yearly budget in 2026).
 - **Offsets:** Offsets under the cap (assumed to be 3% reduction in allowance supply that first occurs in calendar year 2025).
 - **Previously-sold allowances:** Prior sales of future vintage allowances
 - For example, 4.42 million allowances from 2027 vintage were *offered* at auctions in 2024, which represents 10% of 2027 supply. However, only 3.54 million of those allowances sold. The remainder of unsold allowances will be next offered as current vintage allowances in quarterly auctions in 2027.
- Future Vintage Supply = Total Allowance Budget from three years in the future * 10%.²⁴

For a more detailed breakdown of the amounts and assumptions behind the allowance budgets used in this forecast, please refer to *Appendix A-Supply Tables* in the accompanying Excel Workbook. These tables and formulas demonstrate internal consistency show exactly how supply is calculated.

²⁴ Per rule, [Chapter 173-446-365 WAC](#), Ecology will hold two auctions of future vintage allowances each year, including in each auction 5% of the annual allowance budget of the vintage year 3 years in the future. For example, in 2023, 10% of vintage 2026 allowances were offered for sale at advance auction of future vintage allowances. Starting in 2027, Ecology expects to hold future vintage auctions four times each year, simultaneously with current vintage auctions.



June 2026 Revenue Forecast Summary

These tables provide revenue estimates for the June 2026 forecast. The state fiscal year runs from July 1 through the following June 30.

Table 5: Official Revenue Forecast Proceeds

Fiscal Year	Forecasted Proceeds
2027	\$977,580,000
2028	\$538,393,000
2029	\$423,376,000
2030	\$344,217,000
2031	\$322,819,000
Grand Total (FY27 to FY31)	\$2,606,385,000

For a more detailed breakdown of each fiscal year for the forecast, see *Appendix B - By Auction Detail* in the accompanying Excel Workbook.

Table 6 and Table 7 are placeholders in this iteration of the revenue forecast worksheets, do not include updated information, and are not included in this narrative summary. The June 2026 Revenue Forecast does not provide alternative bounding scenarios.



Appendix A – Allowance Supply

The following tables provide a breakdown of the assumptions behind the allowance totals necessary to calculate auction supply by calendar year. These tables are shown from calendar year (CY) 2023 to 2030, or the first two compliance periods of the program. Because future vintage auction supply relies on the allowance budget three years in the future, Table 8 extends to 2034.

Table 8: Total Allowance Supply

CY	Total Allowances (MT CO ₂ e)
2023	63,889,636
2024	59,727,052
2025	55,564,468
2026	51,401,884
2027	47,307,917
2028	43,139,287
2029	38,970,657
2030	34,802,026
2031	33,201,133
2032	31,600,240
2033	29,999,347
2034	28,398,453

Source: Total program allowance budgets (WAC 173-446-210) and program applicability (WAC 173-446-030). Compared to Dec 2025 Forecast, total allowance budgets reflect increase based on HB 1975 rule updates. Upon linkage, the allowance budgets for 2029 and each year thereafter, will be based on the baseline described in WAC 173-446-200 Table 200-1 for subsequent compliance periods.

Table 9: Allowance Price Containment Reserve (APCR) Allowances

CY	Allowances
2023	3,194,482
2024	2,986,353
2025	2,778,223
2026	2,570,094
2027	2,365,396
2028	2,156,964
2029	1,948,533
2030	1,740,101
2031	1,660,057

Source: Ecology placed 5% of the total allowance supply (Table 8) into the APCR at the beginning of the program in January 2023. These allowances are available through APCR auctions. For APCR auctions triggered by 2026 quarterly auction prices, the trigger price for the APCR is \$65.26 (WAC 173-446-370). Totals include additional APCR allowances pulled from the cap-adjusted increase to annual budgets as a results of HB 1975 (2025). [*Refer to the APCR auction supply guidance through 2026 \(govdelivery.com\)](https://www.govdelivery.com)



Table 10: Emissions Containment Reserve (ECR) Allowances

CY	Allowances
2023	1,277,793
2024	1,194,541
2025	1,111,289
2026	1,028,038
2027	-
2028	-
2029	-
2030	-

Source: Ecology reserved 2% of the total allowance supply (Table 8) for the first compliance period—2023 through 2026—into the emissions containment reserve (ECR) consistent with WAC 173-446-375. Ecology did not place any allowances from the second compliance period into the ECR. Additional allowances were added from 2% of the cap-adjusted increase to annual budgets in 2023 through 2026 as a result of HB 1975 (2025).

ECR Assumption: ECR allowances are available for auction when certain conditions are met: the expansion of existing facilities or entry of new covered participants in the program. Ecology expects to hold an ECR auction in September 2026. Previous estimates assumed 2,000,000 allowances would be offered. The June 2026 forecast assumes a lower, more conservative total of 1,000,000 allowances to be made available for sale. Official ECR auction information will be shared at least 60 days prior to any auction. Look for ECR auction details in the ECR #1 Auction Notice.

Table 11: Voluntary Renewable Energy (VRE) Account Allowances

CY	Allowances
2023	210,836
2024	197,099
2025	183,363
2026	169,626
2027	-
2028	-
2029	-
2030	-

Source: Ecology reserved 0.33% of the total allowance supply (Table 8) for the first compliance period—2023 through 2026—in the Voluntary Renewable Energy account (VRE) consistent with WAC 173-446-230(3). Ecology did not place any allowances from the second or following compliance periods into the VRE. The VRE is intended to retire allowances in proportion to voluntary renewable energy credits purchased over and above existing requirements. Additional allowances were added from 0.33% of the cap-adjusted increase to annual budgets in 2023 through 2026 as a result of HB 1975 (2025).

Rationale for excluding from auction total: Because VRE allowances will be directly retired rather than sold at auction, the VRE is deducted from the volume of allowances estimated for auction. WAC 173-446-230(3).



Table 12: Emissions Intensive, Trade Exposed (EITE) Allowances Allocated

CY	Allowances
2023	9,193,458
2024	9,330,137
2025	9,106,894
2026	9,494,737
2027	9,002,867
2028	9,002,867
2029	9,002,867
2030	9,002,867
2031	8,724,428

Source: Initial EITE allocation for 2023 EITE production ([Allowance Allocation to Emissions-Intensive, Trade-Exposed Industries for the First Compliance Period](#)).

Assumptions: EITE allowance allocation is intended to protect against emissions leakage, which means the relocation of Washington State businesses to other locations without carbon regulations. Washington State allocates allowances to EITEs primarily through an allocation method that scales with production, i.e., if production goes up then allocation goes up, and if production goes down then allocation declines as well. Values reflect the latest allocation, as of 10/24/25, including "true-up". The 2027-2030 values are 97% of the average of the previous four years where actual allocation is known and assume that production by EITE facilities remains the same as the average of the previous four years. Starting with the second compliance period, in 2027, EITE allocation is reduced by 3% consistent with WAC 173-446-220(2)(a). Starting in 2031, EITE allocation is reduced by an additional 3%, per rule, from 97% to 94% of the facilities allocation baseline for each year 2031 through 2034.



Table 13: Electric Utility Allowances Allocated

CY	Allowances
2023	17,489,792
2024	16,395,535
2025	15,287,526
2026	13,439,680
2027	13,632,449
2028	13,468,001
2029	13,306,888
2030	10,962,117
2031	10,868,270

Source: [Allowance Allocation to Electric Utilities for the First Compliance Period \(Revised\)](#).

Assumption: Electric utilities are allocated allowances consistent with WAC 173-446-230. The allowance allocation in Table 13 equals allowance allocation transferred for 2023 through 2026. Electric utility allocation is assumed to decrease to some degree over time as the Clean Energy Transformation Act decarbonizes the electric sector. Because there are no forecasts for 2027 allocation at this time, and no set reduction schedule for electric utilities, allocation projections may be substantially adjusted in future years.

Note: This forecast assumes an additional 2,283,774 allowances are allocated to electric utilities in 2027 through 2030 compared to December 2025 forecast, which results in a net decrease in the number of state-owned allowances available for auction (Table 17). The increase in forecast allocation is due to an increased retail load assumption. As summarized by Commerce’s most recent Washington State Electric Utility Resource Planning report²⁵, increases in forecast load growth state-wide is primarily driven by significant forecast load growth from data centers²⁶ in Grant, Douglas, and Chelan public utility districts.²⁷ **The revised estimate in Table 13 does not reflect Ecology’s final allocation schedule for 2027 through 2030.** Ecology will release the 2nd compliance period allocation schedule in October 2026. Ecology expects to continue to make substantive updates as utilities finalize near term forecasts.

²⁵ Washington State Department of Commerce. Washington State Electric Utility Resource Planning 2024 Report. December 2025. <https://deptofcommerce.app.box.com/s/ya6d3ip0cn6bnkh57ogznae45ukucdvh/file/2083876989073>

²⁶ Summarized data center load includes load from cryptocurrency mining.

²⁷ Table 7 of Commerce’s 2024 report shows Grant, Douglas, and Chelan predict 10-year load growth of over 50%, 170%, and 140% respectively, which is driven by forecasted data center load growth.



Table 14: Natural Gas Allowances Allocated

CY	Allowances
2023	8,059,631
2024	7,452,993
2025	6,846,354
2026	6,239,715
2027	5,711,072
2028	5,182,429
2029	4,653,787
2030	4,125,145
2031	3,925,820

Source: [Allowance Allocation to Natural Gas Utilities](#).

Assumption: The Climate Commitment Act requires that the Department of Ecology provide allowances at no cost to eligible natural gas utilities. This requirement is designed to help protect consumers from potential rate increases that could result from utilities' participation in the cap-and-invest program. Natural gas allowance allocation is calculated using a 2015-2019 'baseline' of natural gas emissions. The utilities were allocated 93% of the baseline in 2023 (7% less than the full baseline).

The program rule update, which is expected to be in effect in late 2026, will change allocation to Natural Gas Utilities for 2027 – 2030 from reducing by 7% of baseline, to reducing by 6.1% of baseline each year. In the future budget years, 2031 – 2050, the annual rate of reduction changes from reducing by 1.8% or 2.6%, to reducing by 2.3% each year, consistent with statute and the updated total program allowance budgets.

Table 14A and Table 14B remain in the worksheet, but are not used to calculate total supply of allowances available for auction, and so are not included in this forecast summary.



Table 15: Offset Usage

CY	Offset Usage
2023	-
2024	-
2025	26,280
2026	73,245
2027	202,508
2028	387,108
2029	553,069
2030	617,142
2031	500,423

Assumption: In Washington’s program, offsets are considered “under the cap,” meaning that the total allowance budget is reduced by the number of offsets actually used for compliance. This adjustment is applied with a two-year lag. For example, entities used 26,280 offsets for compliance at the first annual compliance event on 11/1/24 to meet 2023 obligations. That number is subtracted from the 2025 allowance budget, reducing the state-owned allowances eligible to be auctioned by 26,280.

Starting in 2027, per WAC 173-446-250 (1)(b), a number of allowances equal to that number of offset credits used to meet compliance obligations will be removed from the next three years' annual allowance budgets in equal increments and retired.

Given the 3% assumption and based on expected 2025 offset use at the 2026 compliance event, the 2027 removal is estimated as one-third of 3% (202,508 allowances). This amount is added to the assumed offset usage for the following two years, along with one-third of the expected offset usage in each of those years. These estimates will be refined as the offset market continues to develop.

Table 15A and Table 15B remain in the worksheet, but are not used to calculate total supply of allowances available for auction, and so are not included in this forecast summary.



Table 16: State-Owned Future Vintage Auctioned Allowances

CY	Allowances
2023	4,899,760
2024	3,539,832
2025	3,945,905
2026	3,470,664
2027	3,480,203
2028	3,320,113
2029	3,160,024
2030	2,999,935
2031	2,839,845

Source: Ecology auctions 10% of the total allowance budget (Table 8) each year per WAC 173-446-365.

Assumptions: Future vintage allowances are taken from the allowance budget three years in the future. For example, 4,899,760 allowances are 10% of the 2026 budget (48,997,598 allowances) not 10% of the 2023 budget (63,288,565 allowances).

For CY 2024, 1,317,000 of the possible 2,200,000 vintage 2027 allowances offered were sold in Auction 6. The unsold 2027 vintage allowances are added to the CY2027 current vintage allowance supply (Table 17) to be offered next in 2027. The rest of the tables assume all future vintage allowances offered will be sold.

Table 17: State-Owned Current Vintage Auctioned Allowances

CY	Allowances
2023	23,870,128
2024	21,092,871
2025	18,553,500
2026	16,829,065
2027	12,785,329
2028	8,865,152
2029	5,846,877
2030	4,644,445
2031	3,986,308

Assumption: These allowance totals are equal to the total allowance budget (Table 8) reduced by all the other allowance totals in Tables 9 through 15B. Starting with calendar year 2026, the allowance totals are further reduced by future vintage auction of allowances (Table 16) from the 2026 allowance budget that occurred in calendar year 2023 (or vintage 2027 sold in 2024, and so on). See the assumptions in Table 16.

Note: Current vintage allowances to be sold in CY2026 through CY2030 increased by a total of 17,111,186 allowances compared to the December 2025 Forecast. This substantial increase is primarily driven by the implementation of HB 1975, as well as a slight adjustment to the timing of when offsets under the cap are removed from annual budgets, based on rulemaking that is expected to be in effect by the end of 2026.



Appendix B – Detailed Breakdown by Fiscal Year of the Revenue Forecast

The following tables are an event-by-event breakdown of each fiscal year covered by this forecast. While auctions will be held quarterly, with APCR and ECR auctions held as needed, specific dates are included to provide some indication of when in the fiscal year those events occur and when funds would be received by the state (roughly 4 weeks post-auction). Ecology offers the entire annual supply of current vintage allowances across four quarterly auctions in a calendar year. Auction proceeds are rounded to the nearest thousand dollars.

The first column contains abbreviations for individual auction event types. These are:

- **A #:** This is an abbreviation for a regularly scheduled quarterly auction. If the auction has allowances in the future vintage column, then it is an auction offering both current and future vintage supply.
- **APCR #:** Actual Allowance Price Containment Reserve auctions, triggered by preceding the quarterly auctions or held prior to the annual compliance deadline.
- **APCR XYZ:** APCR Auctions offered prior to the annual (YY) compliance deadline.
- **ECR:** Emissions containment reserve auctions. The first ECR auction will be held in September 2026. Actual supply will be shared in the ECR Auction #1 Notice.

Revenue Forecast Tables: Auction Detail

Fiscal Year 2027 Detailed View

Event Name	Fiscal Year 2027	Current Vintage Allowances	Future Vintage Allowances	APCR Allowances	Current / APCR Tier 1 Price	Future / APCR Tier 2 Price	Auction Proceeds
APCR	8/12/2026	-	-	-	\$65.26	\$83.84	\$0
A #15	9/2/2026	2,800,000	-	-	\$52.00	\$0.00	\$145,600,000
ECR #1	9/16/2026	1,000,000		-	\$52.00	-	\$52,000,000
APCR X26	9/30/2026	-	-		\$65.26	\$83.84	\$0
APCR	11/18/2026	-	-		\$65.26	\$83.84	\$0
A #16	12/2/2026	8,429,065	1,720,664	-	\$54.00	\$30.00	\$506,789,000
APCR	2/17/2027	-	-	-	\$65.26	\$83.84	\$0
A #17	3/3/2027	3,213,448	870,051	-	\$33.60	\$31.57	\$135,442,000
APCR	5/19/2027	-	-	-	\$70.15	\$75.08	\$0
A #18	6/2/2027	3,213,448	870,051	-	\$34.22	\$31.95	\$137,749,000
Total		18,655,961	3,460,765	-			\$977,580,000



Fiscal Year 2028 Detailed View

<i>Event Name</i>	<i>Fiscal Year 2028</i>	<i>Current Vintage Allowances</i>	<i>Future Vintage Allowances</i>	<i>APCR Allowances</i>	<i>Current / APCR Tier 1 Price</i>	<i>Future / APCR Tier 2 Price</i>	<i>Auction Proceeds</i>
APCR	8/4/2027				\$70.15	\$75.08	-
A #19	9/1/2027	3,213,448	870,051		\$34.84	\$32.54	\$140,262,000
ECR #2	9/15/2027	1,000,000			\$34.84	-	\$34,839,000
APCR X27	9/29/2027				\$70.15	\$75.08	\$0
Price Ceiling Unit Sale	10/27/2027				\$80.00	\$0.00	-
APCR	11/10/2027				\$70.15	\$75.08	\$0
A #20	12/1/2027	3,213,448	870,051		\$35.48	\$33.13	\$142,821,000
APCR	2/16/2028				\$70.15	\$75.08	\$0
A #21	3/1/2028	2,249,003	830,028		\$36.12	\$33.73	\$109,239,000
APCR	5/24/2028				\$75.42	\$80.71	\$0
A #22	6/7/2028	2,249,003	830,028		\$36.78	\$34.35	\$111,232,000
Total		11,924,903	3,400,158	-			\$538,393,000

Fiscal Year 2029 Detailed View

<i>Event Name</i>	<i>Fiscal Year 2029</i>	<i>Current Vintage Allowances</i>	<i>Future Vintage Allowances</i>	<i>APCR Allowances</i>	<i>Current / APCR Tier 1 Price</i>	<i>Future / APCR Tier 2 Price</i>	<i>Auction Proceeds</i>
APCR	8/9/2028				\$75.42	\$80.71	-
A #23	9/6/2028	2,249,003	830,028		\$37.45	\$34.98	\$113,262,000
ECR #3	9/20/2028	500,000			\$37.45	-	18,726,000
APCR X28	10/4/2028				\$75.42	\$80.71	\$0
APCR	11/15/2028				\$75.42	\$80.71	-
A #24	12/6/2028	2,249,003	830,028		\$38.14	\$35.61	\$115,328,000
APCR	2/21/2029				\$75.42	\$80.71	-
A #25	3/7/2029	1,508,712	790,006		\$38.83	\$36.26	\$87,234,000
APCR	5/23/2029				\$81.07	\$86.76	-
A #26	6/6/2029	1,508,712	790,006		\$39.54	\$36.93	\$88,826,000
Total		8,015,431	3,240,069	-			\$423,376,000



Fiscal Year 2030 Detailed View

<i>Event Name</i>	<i>Fiscal Year 2030</i>	<i>Current Vintage Allowances</i>	<i>Future Vintage Allowances</i>	<i>APCR Allowances</i>	<i>Current / APCR Tier 1 Price</i>	<i>Future / APCR Tier 2 Price</i>	<i>Auction Proceeds</i>
APCR	8/22/2029				\$81.07	\$86.76	-
A #27	9/5/2029	1,508,712	790,006		\$40.26	\$37.60	\$90,446,000
ECR #4	9/19/2029				\$40.26	-	-
APCR X29	10/3/2029				\$81.07	\$86.76	\$0
APCR	11/14/2029				\$81.07	\$86.76	-
A #28	12/5/2029	1,508,712	790,006		\$41.00	\$38.29	\$92,096,000
APCR	2/20/2030				\$81.07	\$86.76	-
A #29	3/6/2030	1,218,613	749,984		\$41.74	\$38.98	\$80,107,000
APCR	5/22/2030				\$87.15	\$93.27	-
A #30	6/5/2030	1,218,613	749,984		\$42.51	\$39.70	\$81,568,000
Total		5,454,650	3,079,979	-			\$344,217,000

Fiscal Year 2031 Detailed View

<i>Event Name</i>	<i>Fiscal Year 2027</i>	<i>Current Vintage Allowances</i>	<i>Future Vintage Allowances</i>	<i>APCR Allowances</i>	<i>Current / APCR Tier 1 Price</i>	<i>Future / APCR Tier 2 Price</i>	<i>Auction Proceeds</i>
APCR	8/7/2030				\$87.15	\$93.27	-
A #31	9/4/2030	1,218,613	749,984		\$43.28	\$40.42	\$83,056,000
ECR #5					\$43.28	-	-
APCR X30	10/2/2030				\$87.15	\$93.27	\$0
APCR	11/13/2030				\$87.15	\$93.27	-
A #32	12/4/2030	1,218,613	749,984		\$44.07	\$41.16	\$84,572,000
APCR	2/19/2031				\$87.15	\$93.27	-
A #33	3/5/2031	1,050,505	709,961		\$44.87	\$41.91	\$76,894,000
APCR	5/21/2031				\$87.15	\$93.27	-
A #34	6/4/2031	1,050,505	709,961		\$45.69	\$42.67	\$78,297,000
Total		4,538,237	2,919,890	-			\$322,819,000