



DEPARTMENT OF
ECOLOGY
State of Washington

Rule Implementation Plan Chapters 173-441 WAC and 173- 446 WAC, Cap-and-Invest Program Updates and Linkage

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Implementation Plan

Chapters 173-441 WAC and 173-446 WAC

Cap-and-Invest Program Updates and Linkage

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

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Purpose

The Washington State Department of Ecology (Ecology) provides the information in this implementation plan to meet agency and Administrative Procedure Act (RCW 34.05.328) requirements related to rule adoptions.

Introduction

On September 23, 2026, Ecology adopted amendments to [Climate Commitment Act Program Rule](#) (chapter 173-446 WAC) and [Reporting of Emissions of Greenhouse Gases](#) (chapter 173-441 WAC) — AO #24-02. The purpose of this rule implementation plan is to inform those who must comply with chapters 173-441 WAC and 173-446 WAC about how Ecology intends to:

- Implement and enforce the rule.
- Inform and educate persons affected by the rule.
- Promote and assist voluntary compliance for the rule.
- Evaluate the rule.
- Train and inform Ecology staff about the new or amended rule.

Also included in this plan is information about:

- Supporting documents that may need to be written or revised because of the new rule or amended rule.
- Other resources where more information about the rule is available.

Implementation and Enforcement

The Climate Pollution Reduction Program has primary responsibility for ensuring the successful implementation of chapters 173-441 WAC and 173-446 WAC. The Climate Pollution Reduction Program includes Greenhouse Gas Emissions Reporting and Verification Section staff, Auctions and Market Section staff, and Cap-and-Invest Policy Section staff that implement the rule, as well as communications and support staff. Program staff will work to provide outreach, education, and technical assistance.

- Ecology will update reporting tools to reflect adopted rule changes in chapter 173-441 WAC. Reporting tools specific to electric power entities will be updated starting with tools to report emissions year 2027.
- Ecology will distribute no-cost allowances in October 2026, consistent with updated rules in chapter 173-446 WAC.
- Ecology will regulate and provide technical assistance to electricity and natural gas utilities; emissions-intensive, trade-exposed industries (EITEs); and waste-to-energy facilities.

Informing and Educating Persons Affected by the Rule

Throughout the rulemaking process, Ecology has taken the following actions to help inform interested persons:

- Emailed notices to the Climate Commitment Act email list, Air Quality Rules and SIPs distribution list, Auctions and Trading email list, GHG Reporting and Verification email list, electricity email lists and the WACTrack email list
- Sent out letters to Tribal Governments
- Sent out market notices to notify the market of any market sensitive/moving information
- Posted information on Ecology's Cap-and-Invest Program Updates and Linkage rulemaking website
- Held two public hearings via webinar
- Held Tribal forums and many public meetings during the two years of rule development
- Held meetings with interested parties upon request

Ecology maintains a webpage for [Cap-and-Invest Program Updates and Linkage rulemaking](#) that houses resources including the rulemaking timeline, slideshows and recordings from public meetings and public hearings, rule language, and Concise Explanatory Statement.

Additionally, Ecology maintains a webpage for [linkage under the Cap-and-Invest Program](#) that contains information on the linkage process and timeline and responses to frequently asked questions.

Staff will conduct outreach to all General Market Participants (GMPs) with residency outside of Washington, review entities that need to update disclosures, and follow up with registered entities to ensure that account representatives are active in accordance with updated requirements in WAC 173-446-130(2).

Staff will update or publish additional market participant and covered entity guidance as needed to reflect adopted rule changes, including Annual Compliance Guidance, guidance for GMPs de-registering from the program, guidance for changing entity type from covered entity to GMP, and updated example registration forms.

Ecology will update guidance for covered entities/EITEs to reflect rule changes in regard to submitting requests for adjustments to EITE allowance allocations.

Ecology will update or publish additional covered entity guidance for owners and operators of waste-to-energy facilities as needed to reflect adopted rule changes.

Ecology will continue to notify registered reporters and third-party verifiers about the adopted rules changes that impact the reporting and verification processes and requirements. Ecology will conduct outreach to new entities that may meet the updated reporting thresholds. Ecology will update or publish additional guidance and trainings for reporters and third-party verifiers as needed to reflect adopted rule changes.

Ecology will continue to notify utilities about requirements and processes related to no-cost allocation. Ecology will continue to maintain a webpage for no-cost allowances under the Cap-and-Invest Program with additional guidance, allocation schedules, and allocation calculations. As the need arises, additional materials may be developed to provide guidance around this rule.

Promoting and Assisting Voluntary Compliance

- Outreach to:
 - New and existing facilities regarding no-cost allowance allocation guidelines and implementation
 - Covered entities on timelines and guidance for baseline adjustments
 - Electric Power Entities on reporting requirements
 - Utilities on no-cost allowance allocation and associated requirements
 - New covered entities starting in 2027 regarding registration and market participation
 - Waste-to-energy facilities regarding requirements for no-cost allowance allocation and consignment, and completion of decarbonization proposals and plan
 - Registered entities that may be impacted by regulation changes.
- Posting user and entity registration guidance documents on Ecology's website
- Establishing a webpage regarding market monitoring efforts and resources and highlighting previous enforcement cases.

Evaluating the Rule

Ecology is required to submit a report to the Legislature after each compliance period that includes a comprehensive review of the implementation of the program (RCW 70A.65.060(5)). Ecology is also required to complete evaluations by December 31, 2027, and December 31st of the year following the conclusion of the third, fifth, and sixth compliance period, of the performance of the program, including its performance in reducing greenhouse gases (RCW 70A.65.070(3)).

Ecology will use successful emissions reporting and market compliance rates to assess the effectiveness of the rule and progress toward achieving its intended outcomes.

Training and Informing Ecology Staff

Ecology has conducted extensive internal communication and training to ensure staff understand the requirements of the Climate Commitment Act, including compliance requirements contained within the rule. Staff responsible for implementing this amended rule have been extensively involved in its development. Ecology will hold staff training and use staff meetings and the agency website to train and inform any additional agency staff.

Staff will also develop or revise existing operating and monitoring procedures in alignment with adopted rule changes, including but not limited to the Auction and Registration platforms, checklists for account registration reviews, and market monitoring processes to ensure registered entities are in compliance and to maintain confidence in market security.

Staff will develop internal workbooks and guidance detailing calculation of no-cost allowances to utilities consistent with amended rules.

List of Supporting Documents that May Need to be Written or Revised

- New Corporate Associations and Structure Disclosure (CASD) form
- Form for General Market Participants (GMPs) exiting the program
- Form for covered entities exiting the program
- Updated account attestations
- Updated guidance documents
- Updates to registration forms 2 & 3
- Forms for potential Federal Power Marketing Associations (FPMAs) transfers
- Modified Compliance Instrument Tracking System Service (CITSS) language
- Updated penalty matrix and enforcement documents
 - Reporting tools
 - Updated reporting and third-party verification guidance documents
 - Reporting and third-party verification training materials
- Calculation of electric utility no-cost allowance schedule for 2027-2030
- Calculation of natural gas utility no-cost allowance schedule for 2027-2030
- Guidance on WAC 173-446-230(2)(g) (allocation adjustments to electric utilities)
- Calculation of waste-to-energy facilities' allocation baseline for 2027-2030
- Guidance on the format and required content of a greenhouse gas emissions reduction written proposal for investments that reduce greenhouse gas emissions associated with a waste-to-energy facility
- Guidance on the format and content of the greenhouse gas emissions reduction plan required for waste-to-energy facilities

More Information

The Cap-and-Invest website includes dedicated pages on many topic areas within the Cap-and-Invest Program, including auctions, the market, compliance, allocation to electric and natural gas utilities, allocation to emissions-intensive, trade exposed industries, emissions reporting, and verification: [Cap-and-Invest - Washington State Department of Ecology](#)

Contact Information

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RegistrarCCA@ecy.wa.gov

Emissions Reporting and Verification Resource Mailbox

GHGReporting@ecy.wa.gov

GHGVerification@ecy.wa.gov

Additional Subject-Area Specific Resource Mailboxes

Linkage: CCALinkage@ecy.wa.gov

Emissions-intensive, trade-exposed industries: CCAETEindustries@ecy.wa.gov

General electricity topics: CCAElectricity@ecy.wa.gov

Utility forecasts and allocation: CCAUtility@ecy.wa.gov

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