

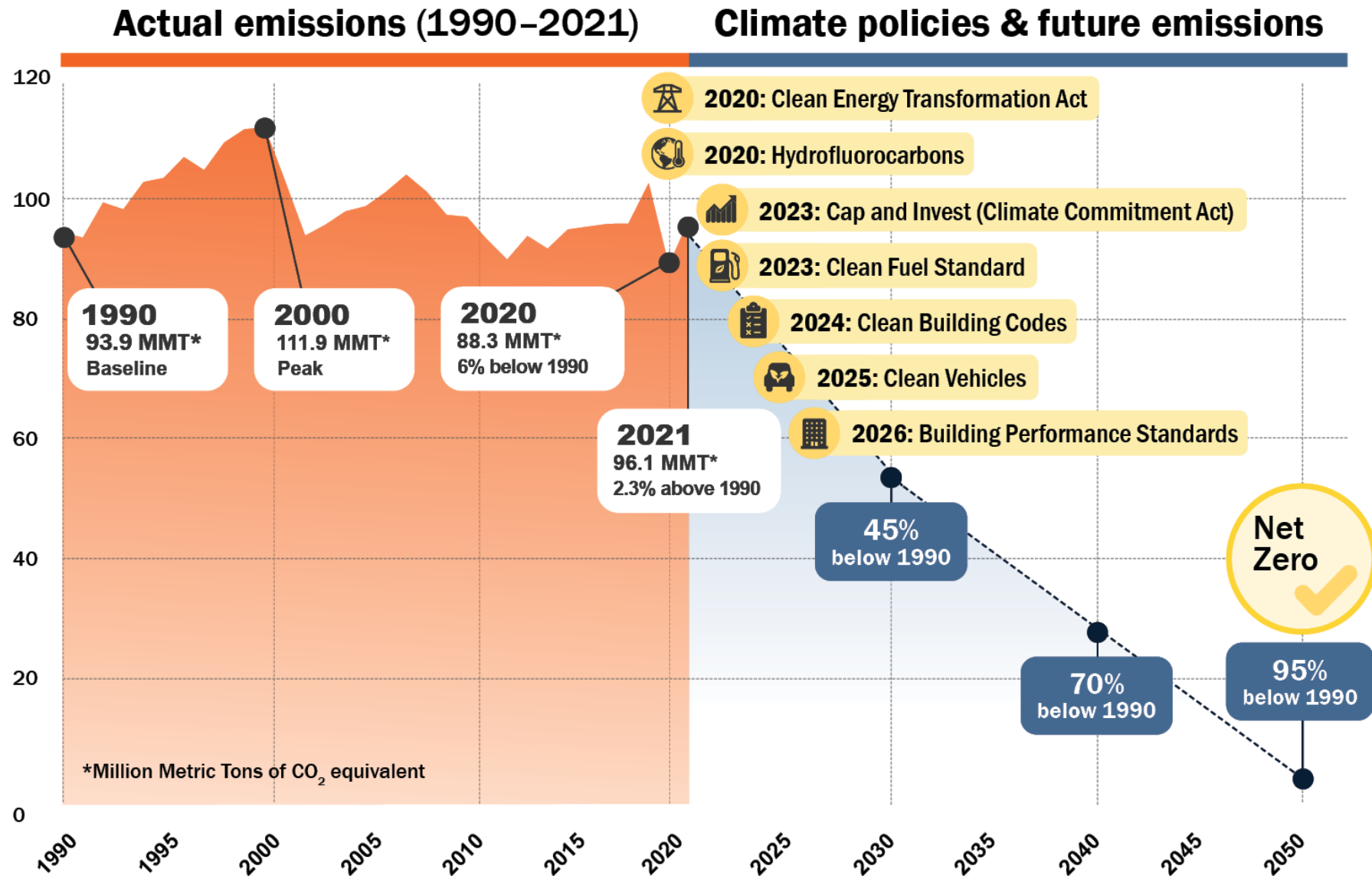


# Washington's Climate Commitment Act

Joel Creswell, Climate Pollution Reduction Program Manager

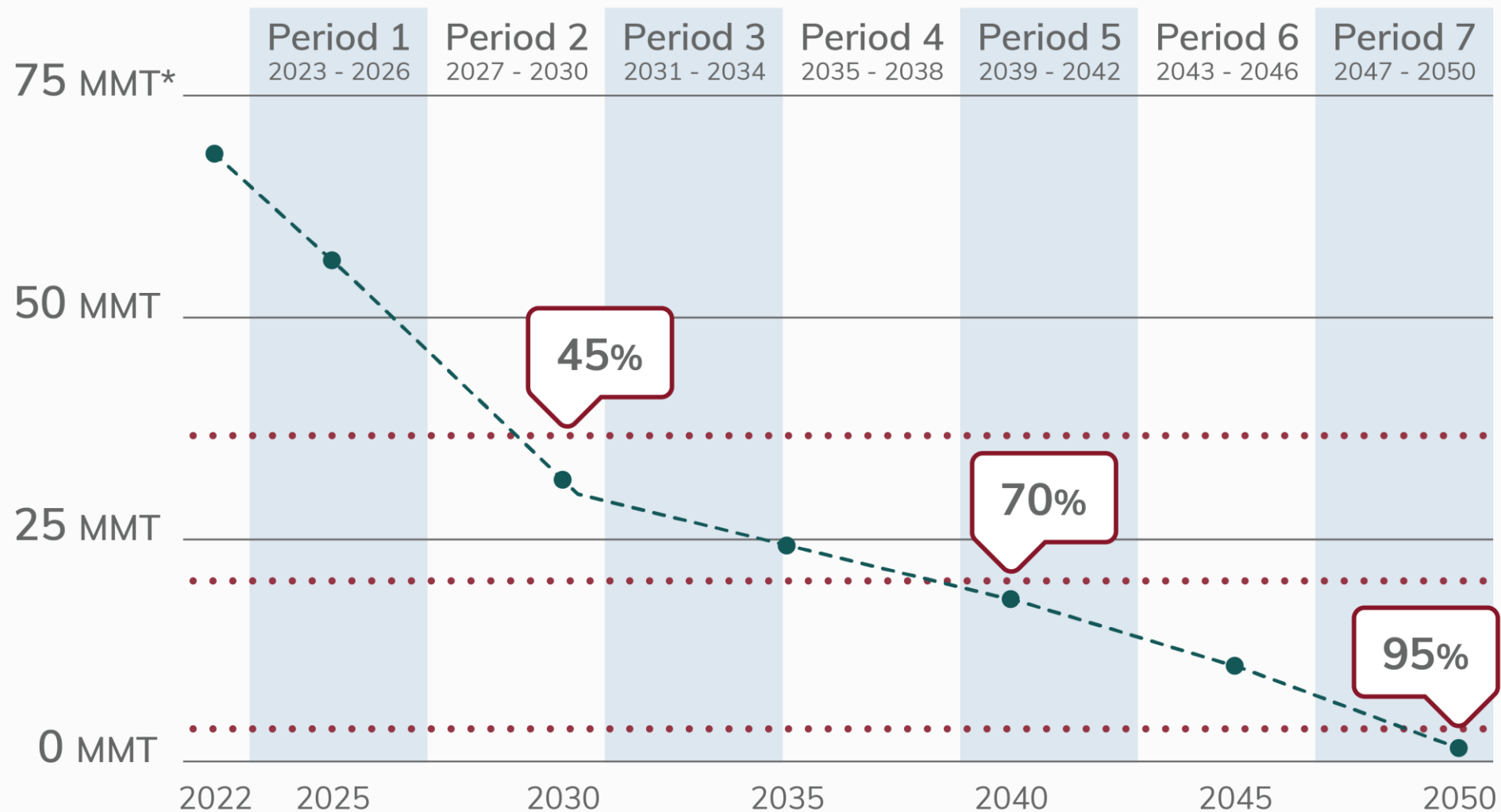
June 9, 2025

# Tracking Washington's Greenhouse Gases



## Projected Emissions Cap Over Time

\* million metric tons of CO<sub>2</sub> equivalent



# Climate Commitment Act: Cap-and-Invest

- Caps emissions, cap declines over time
  - Emissions cap = Allowance budget
  - One allowance = one metric ton of CO<sub>2</sub> equivalent
- Entities must obtain allowances/offsets for “covered emissions”
  - Some entities receive no cost allowances
  - Annual Compliance deadlines
- Allowances can also be sold to generate revenue
  - Consignment by utilities



# Climate Commitment Act: Air Quality Protections

CCA's air quality protections requires Ecology to expand monitoring and reduces air pollution in overburdened communities.

- Identify “*overburdened communities highly impacted by air pollution*”
- Expand air monitoring in these communities
- Adopt strategies to address air pollution
- Conduct biennial environmental reviews



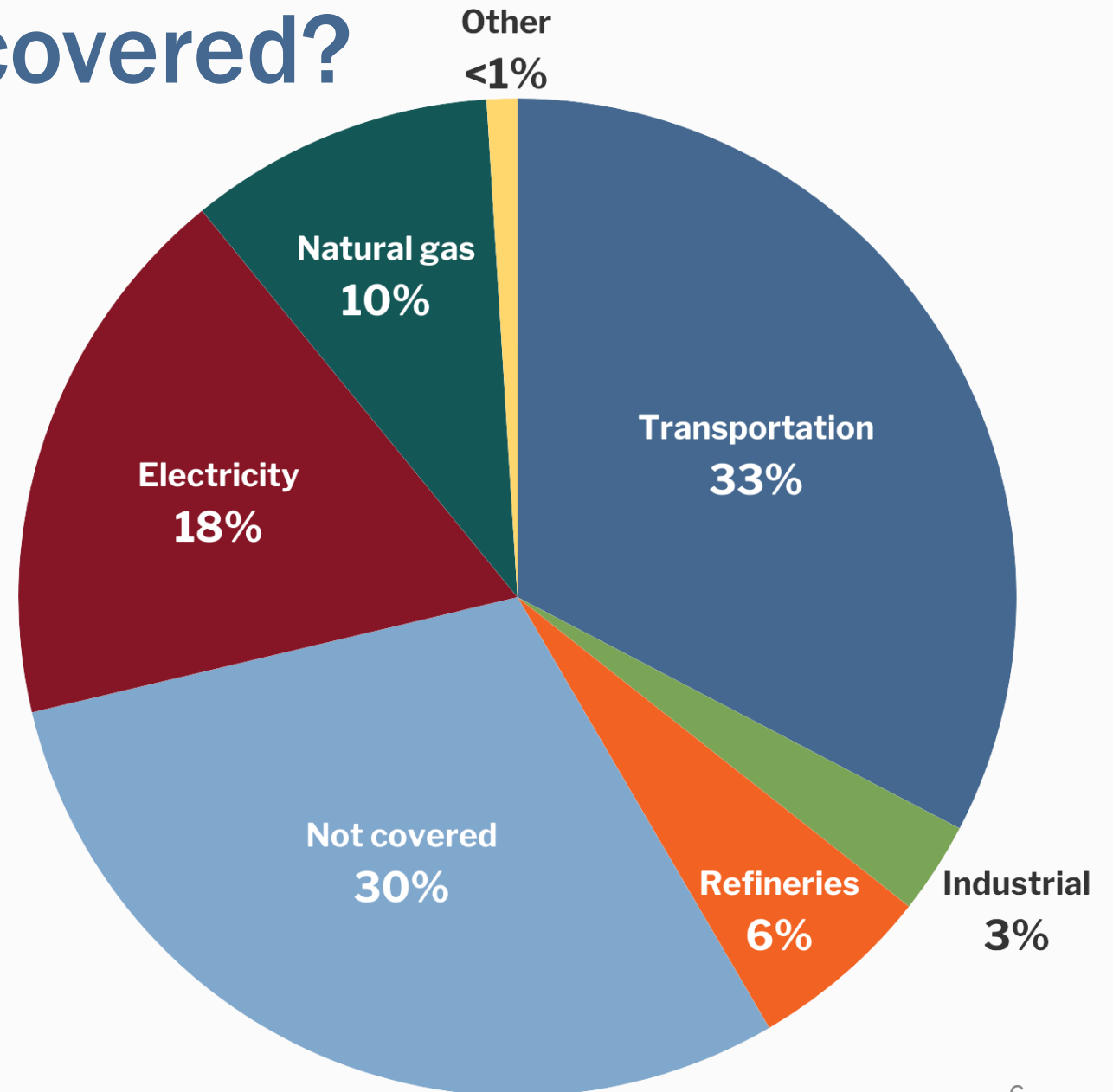
# Which emissions are covered?

## Covered emissions (~70%)

- Facilities emitting 25,000+ metric tons of CO<sub>2</sub>e annually
- Gasoline and on-road diesel
- Electricity consumed in the state
- Natural gas
- 2027 - Waste-to-energy facilities
- 2031 - Railroads

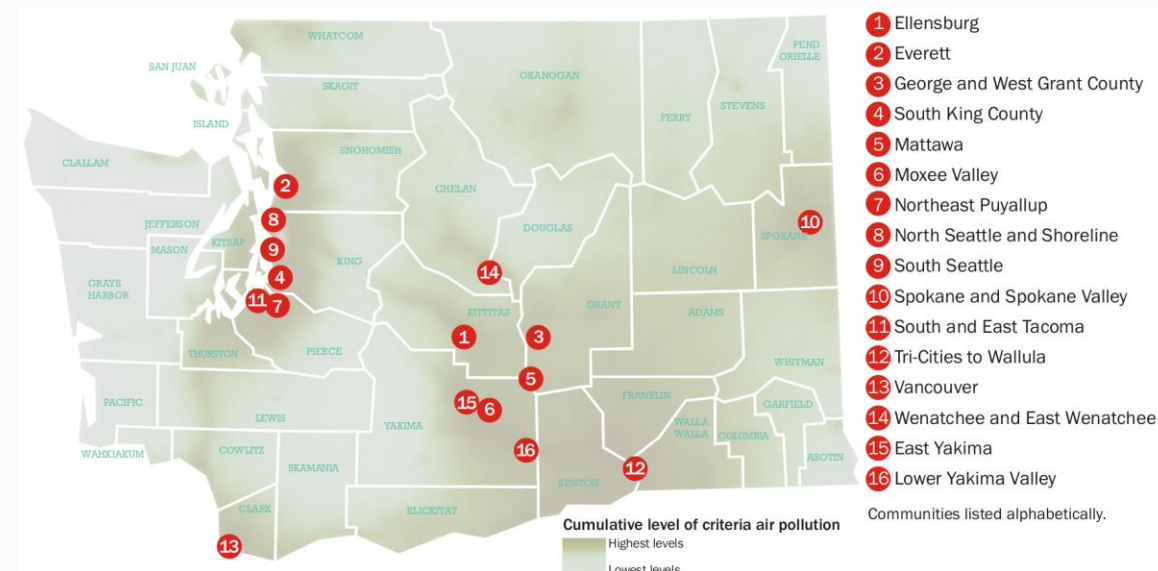
## Not covered (~30%)

- Facilities emitting less than 25,000 metric tons of CO<sub>2</sub>e
- Exempt fuels: Agricultural operations, maritime, aviation, etc.



# Cap-and-Invest Environmental Justice Provisions

- Restricting the use of offset credits
- Prioritizing funds to Tribes and overburdened communities
- Environmental Justice Council engagement
- Environmental Justice Assessments
- Regular reporting



# How the CCA prioritizes environmental justice

In addition to air quality provisions, the CCA:

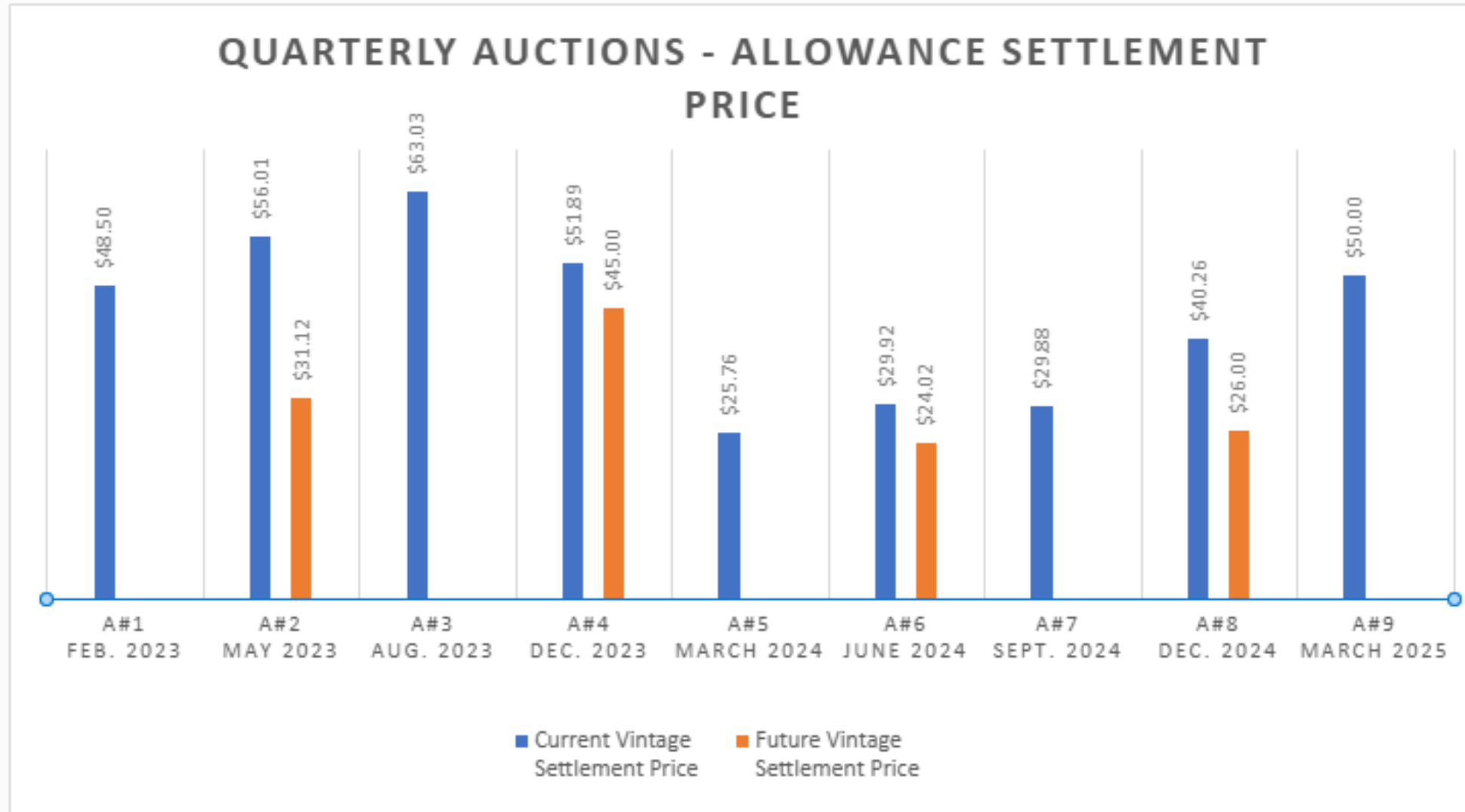
- Restricts the use of offset credits
- Prioritizes funds to Tribes (10%) and overburdened communities (35-40%)
- Requires Environmental Justice Council engagement
- Requires Environmental Justice Assessments
- Requires regular reporting





# Auctions and Market

# Auction Settlement Prices



# Auction Revenue To Date

Auction Description	Proceeds to Washington	Proceeds to Consigning Entities
Total public proceeds in 2023	\$1,824,524,331.48	\$376,498,151.46
Total public proceeds in 2024	\$810,765,278.46	\$319,923,016.02
Auction #9 March 2025	\$135,497,600	\$56,214,528.16
Auction #10 June 2025	<i>Auction settlement price public at noon on June 11</i>	<i>Released in public proceeds report on July 2</i>
Total public proceeds in 2025, so far	\$135,497,600 + A#10	\$56,214,528.16 + A#10
Sum of proceeds, to date	\$2,865,289,609.94	\$833,725,917.48



# Use of Funds

# Auction revenues

**CERA**

## Carbon Emissions Reduction Account

For projects that reduce emissions from the transportation industry and increase access to public and alternative transportation.

Subject to appropriation by the Legislature.

**24%**

Climate Active Transportation Account

**56%**

Climate Transit Programs Account

**CIA**

## Climate Investment Account

For the administration of the CCA and for projects that support the transition to clean energy, ecosystem resilience, and carbon sequestration.

Subject to appropriation by the Legislature.

**75%**

Climate Commitment Account

**25%**

Natural Climate Solutions Account

**AQHDIA**

## Air Quality & Health Disparities Improvement Account

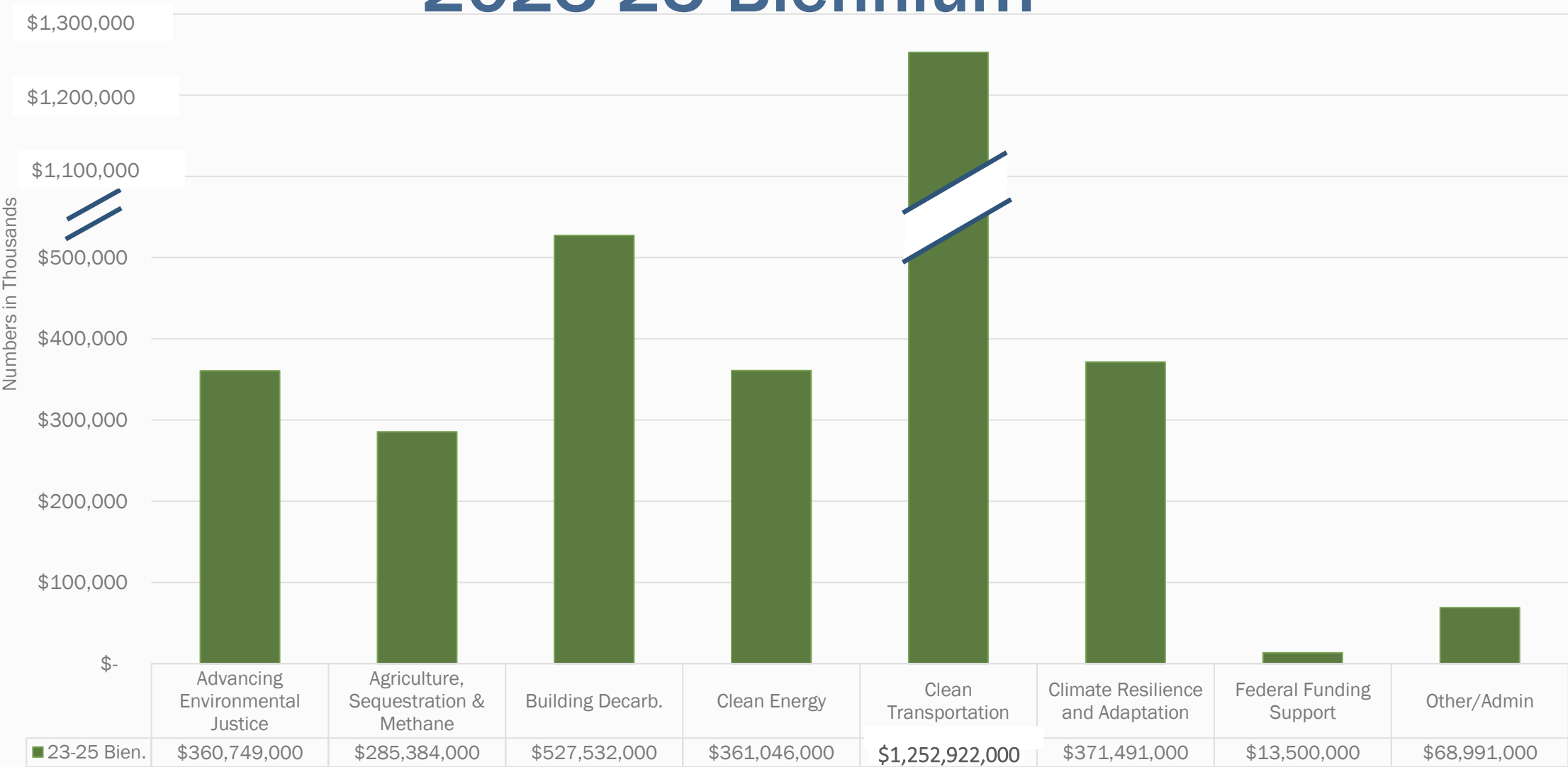
For projects that help identify and reduce criteria pollutants and health disparities in overburdened communities highly impacted by air pollution.

Subject to appropriation by the Legislature.

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**CLIMATE  
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ACT** 

# Climate Investments by Category, 2023-25 Biennium



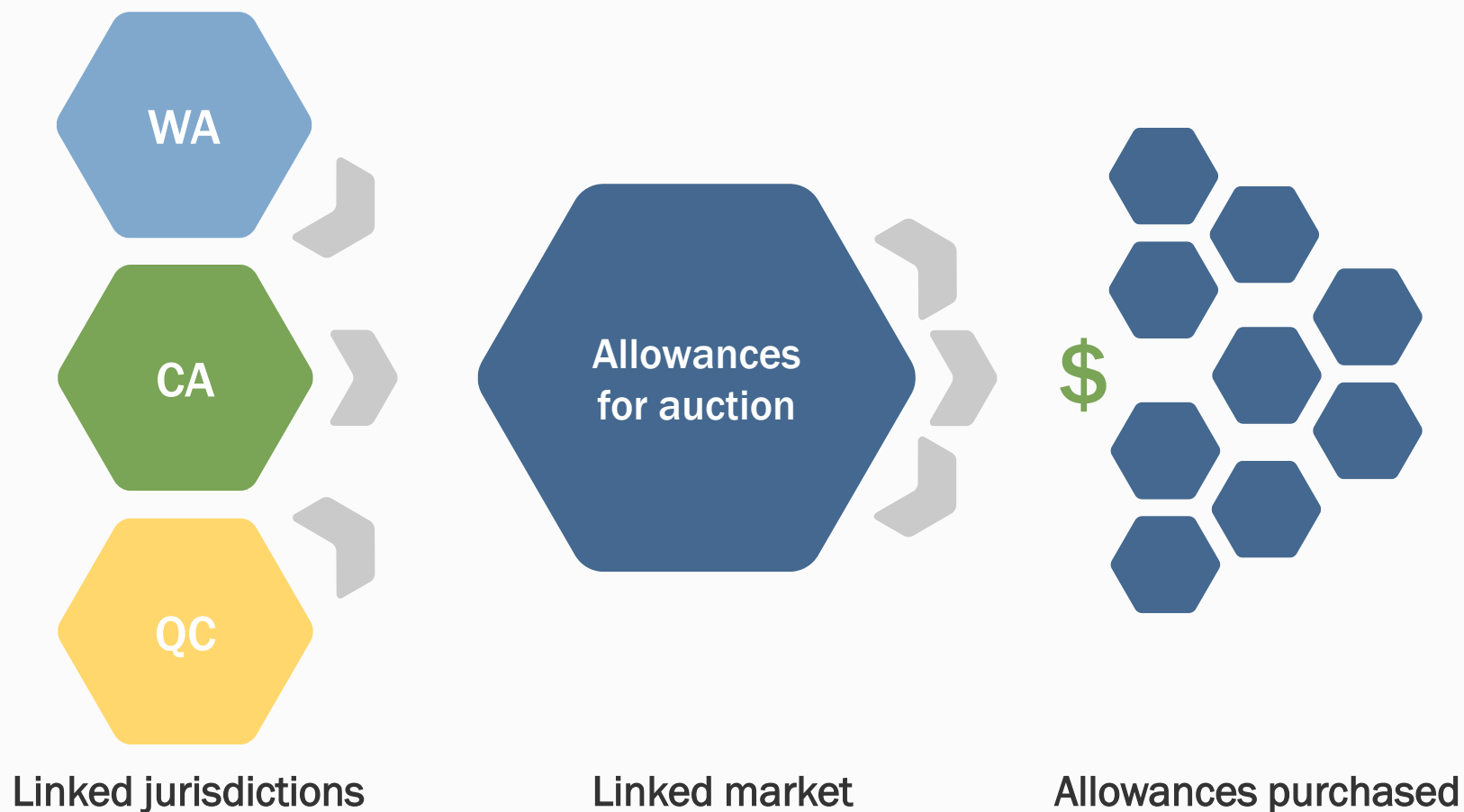
# Funded Project Examples

- \$429 million for public transit grants and projects, including free transit for youth under 18
- \$64 million for converting three of the state's Jumbo Mark II ferries to hybrid-electric
- \$30 million for grants to school districts to replace deteriorating (HVAC) systems
- \$150 million for energy vouchers for low and moderate income residential electrical consumer
- \$15 million for landfill methane capture grants



Linkage

# Market linkage



# Cap-and-Invest Linkage with the California-Québec carbon market

## Process & timeline

**First half of 2023**

Linkage exploratory process



**Fall 2023**

Decision to pursue linkage



**Started in 2024**

Align market policies  
Environmental Justice Assessment



**Likely in 2026**

Linkage agreement



**2026 or 2027**

Link markets



*\*tentative dates, timing still to be determined based on conversations with California and Québec*



# Thank you

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