

Climate Commitment Act Cap-and-Invest Program Overview

Washington State Dept. of Ecology, Air Quality Program





Overview

- Program Basics
- Implementation & Next Steps
- Auction Proceeds

Program Basics

- Establishes an emissions cap, declines over time
- Program participants:
 - Covered, opt-in entities have compliance obligation
 - General market participants are investors or offset project developers
- Covered and opt-in entities must obtain allowances for covered emissions, meet compliance deadlines
- All participants can hold extra allowances for future years or sell to generate revenue



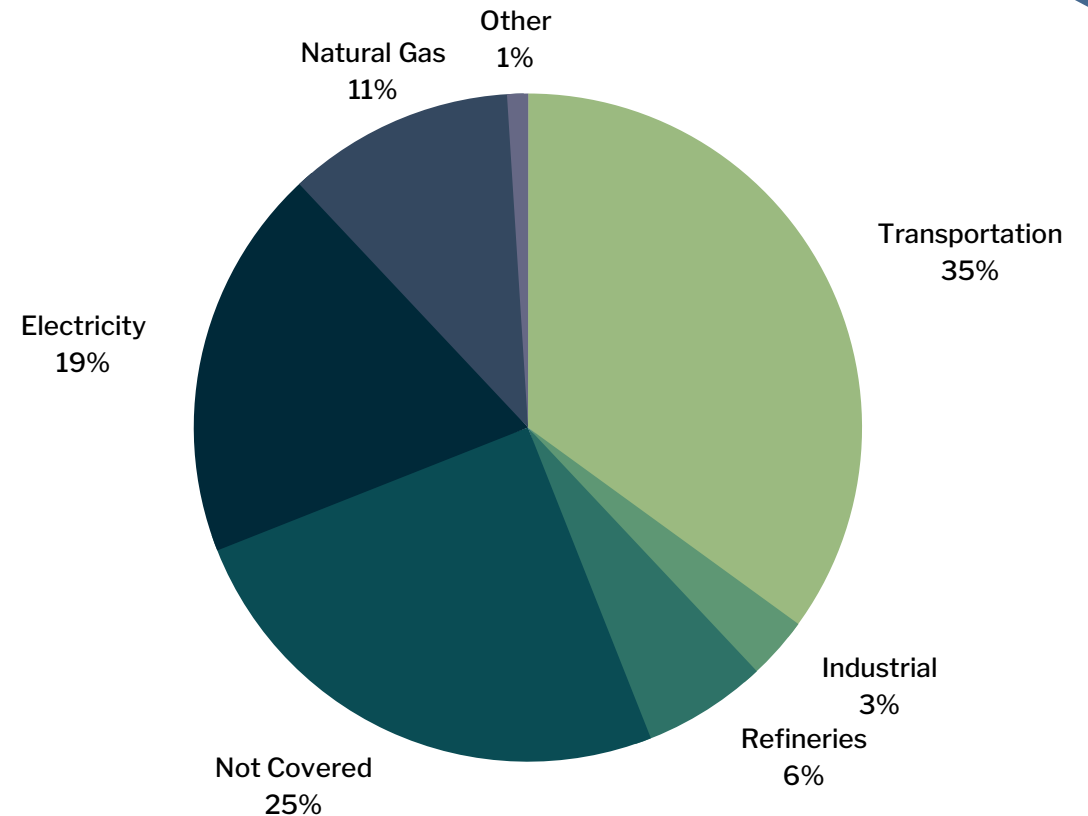
What Counts as 'Covered Emissions'

Covered Emissions - 75%

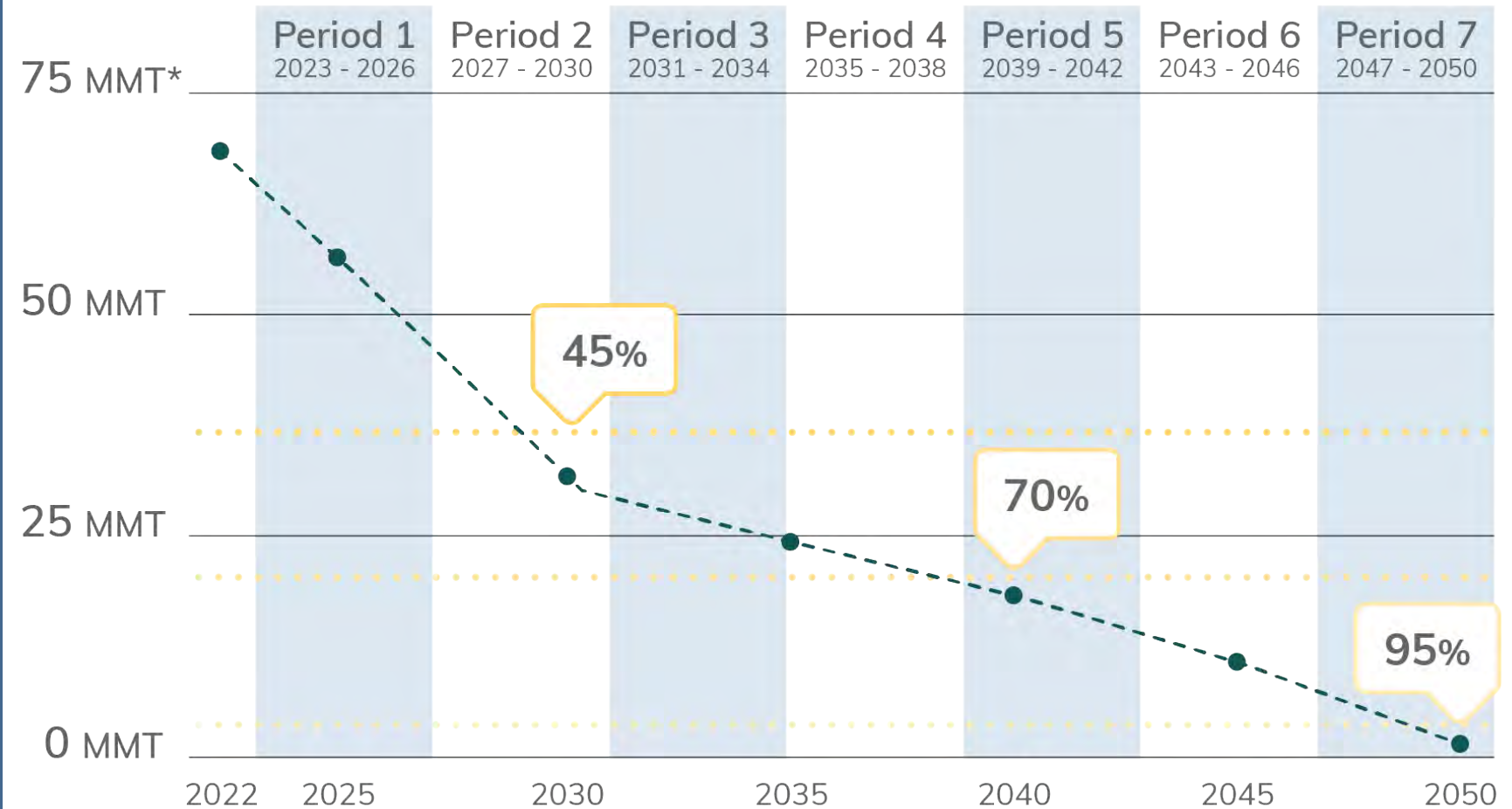
- Emissions from:
 - Facilities that emit more than 25,000 metric tons CO₂e
 - Gasoline and on-road diesel
 - Electricity consumed in WA state
 - Natural gas
 - 2027 - Waste-to-energy facilities
 - 2031 - Railroads

Not Covered - 25%

- Emissions from:
 - Facilities that emit less than 25,000 metric tons CO₂e
 - Agricultural operations
 - Aviation fuels and most marine fuels



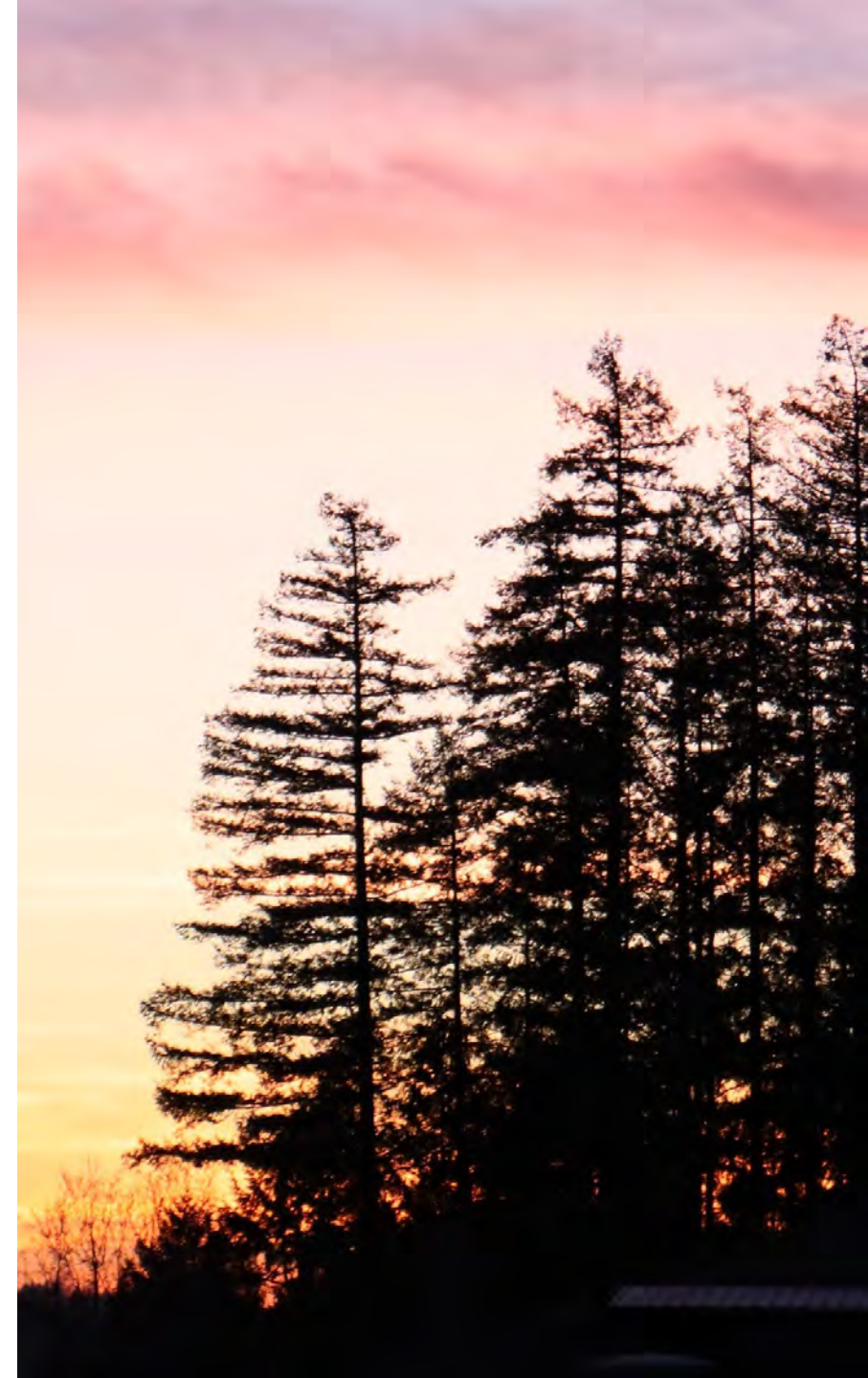
Emissions Cap Reductions



*MMT = million metric tons of CO₂ equivalent

Implementation & Next Steps

- Program launched Jan. 1st
- First auction Feb. 28th; four auctions each year
- Ecology has begun exploring linking with CA and Quebec



CCA Auction Proceeds

CERA

**Carbon
Emissions
Reduction
Account**

CIA

**Climate
Investment
Account**

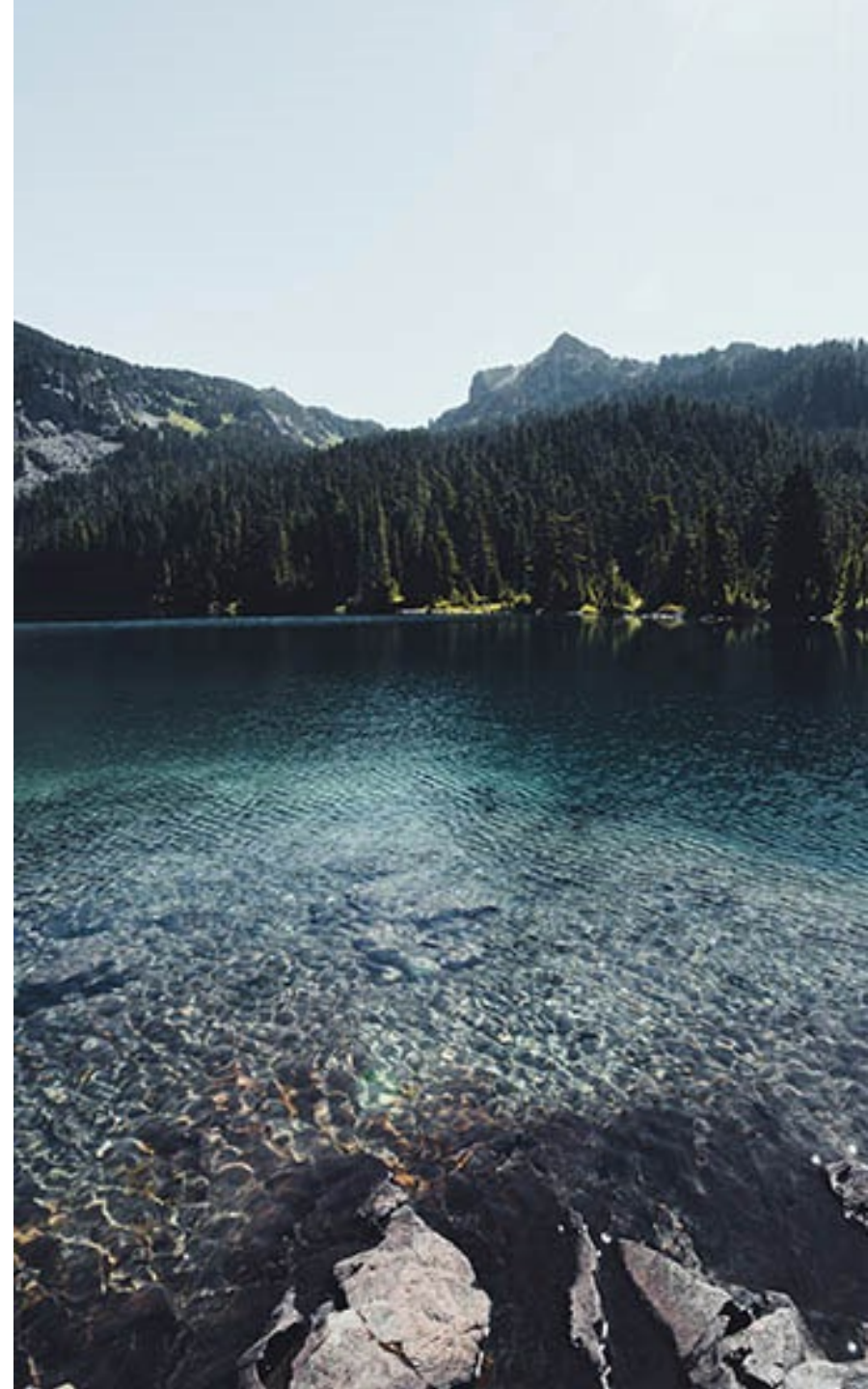
AQHDIA

**Air Quality &
Health Disparities
Improvement
Account**

Projected revenue: \$957M in first full fiscal year, declines over time as cap reduced
All revenue to be appropriated by the Legislature.

Benefiting all of Washington

- Investments to be appropriated by the Legislature per statutory direction
- Minimum 35% to benefit overburdened communities
 - Statutory goal of 40%
- 10% to projects with Tribal support
- Important role in overall success of the program



Questions?

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