

Climate Commitment Act Cap-and-Invest Rulemaking Overview

Washington Department of Ecology, Air Quality Program

Overview

- Ecology is currently in rulemaking for Chapter 173-446 WAC and Chapter 173-441 WAC, which outline the requirements and parameters of the Cap-and-Invest Program.
- Topics to be covered in this presentation include:
 - Rulemaking process
 - How to get involved



Rulemaking Timeline

	CR101 Announcement	Listening Sessions	CR102 Proposal	CR103 Adoption
GHG Reporting Updating WAC173-441	July 7, 2021	July 22, 2021	Oct. 13, 2021	February 2022
CCA Cap & Invest New Chapter WAC173-446	Aug. 4, 2021	Nov. 8, 2021 Dec. 16, 2021	Spring 2022	October 2022
EITEs New Chapter WAC173-446a	Aug. 4, 2021	Sept. 21, 2021	Dec. 22, 2021	July 2022

Shading indicates completed items.

Upcoming Rulemaking Phases

Proposal - CR 102

- Ecology proposes its draft rule language and makes it available to the public for review, along with the relevant regulatory analysis.
- The formal comment period begins. Stakeholders and other interested parties can lodge their feedback online, at public hearings, or in writing. All comments received within the formal period are submitted into the official record.
- Based on this feedback, Ecology may or may not amend its draft rule language.

Adoption - CR 103

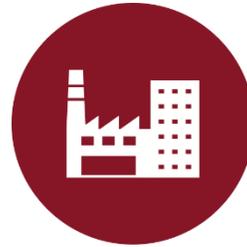
- Ecology provides a date for final rule adoption.
- In addition, Ecology provides a Concise Explanatory Statement outlining what changes to the proposed rule language, if any, were made and why. This document also addresses and responds to all comments received during the formal period.
- An implementation plan, economic impact information, and final regulatory analysis are also required.

No Cost Allowances

Per statute, some groups are allocated allowances at no cost.



Natural Gas Utilities



Emissions-Intensive,
Trade-Exposed Industries
(EITEs)



Electric Utilities

The allocation of free allowances is based on entity-specific conditions, and can be adjusted by Ecology as those conditions change.

Imported Electricity in the CCA

- "Imported electricity" is defined as electricity generated outside the state of Washington with a final point of delivery within the state.
- "Imported electricity" includes electricity from an organized market, such as the energy imbalance market (and the extended day ahead market).
- For electricity imported through a centralized market – like the EIM or EDAM - the electricity importer is defined by rule through the following statutory mandate from the CCA.
- *In consultation with any linked jurisdiction to the program created by this chapter, by October 1, 2026, the department, in consultation with the department of commerce and the utilities and transportation commission, shall adopt by rule a methodology for addressing imported electricity associated with a centralized electricity market. (RCW 70A.65.080(1)(c))*

Questions and Resources



- The informal comment period for the Chapter 173-446 rulemaking closed January 26, 2022.
 - We are currently preparing our final draft language for proposal in Spring 2022.
 - At that time, we will open our formal comment period and encourage CAISO and other stakeholders to participate by registering their comments, questions, and feedback on our eComments platform.
 - You can stay updated on our rulemaking progress by signing up for email alerts: https://public.govdelivery.com/accounts/WAECY/subscriber/new?topic_id=WAE CY_15