



# Ecology Agriculture Advisory Committee

Joel Creswell, Climate Pollution Reduction Program Manager

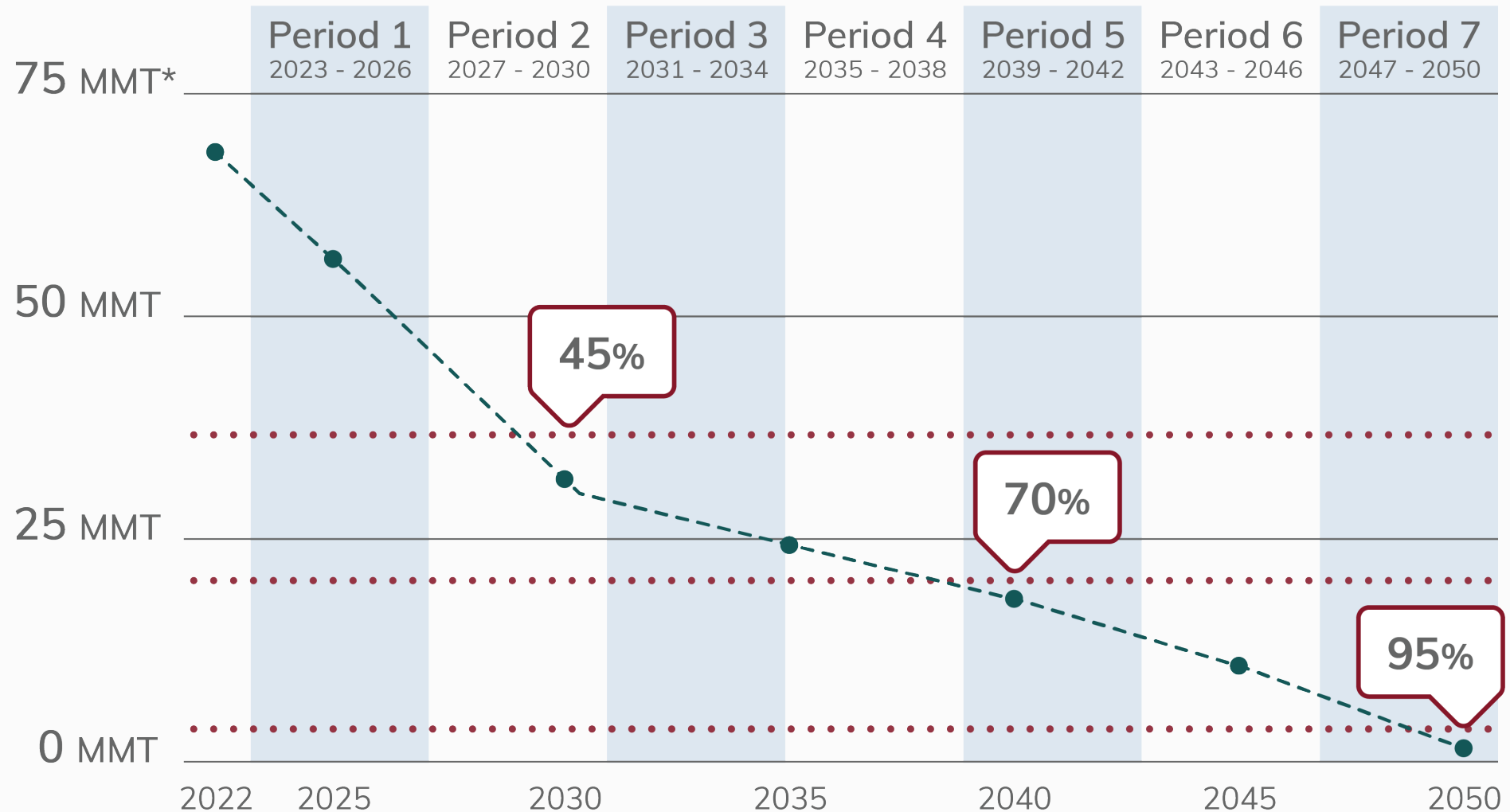
October 8, 2025



# Climate Commitment Act

# Projected allowance budgets 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 sold by state to generate revenue
  - Allowances can also be traded between entities or consigned to auction



# Which emissions are covered?

## Covered emissions (~70%)



Facilities



Fuel suppliers



Electricity imports



Natural gas  
suppliers

## Not covered (~30%)



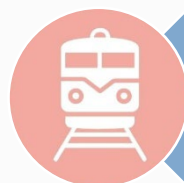
Fuels used for  
agricultural  
operations



Fuels used for  
maritime and aviation



Waste-to-energy\*

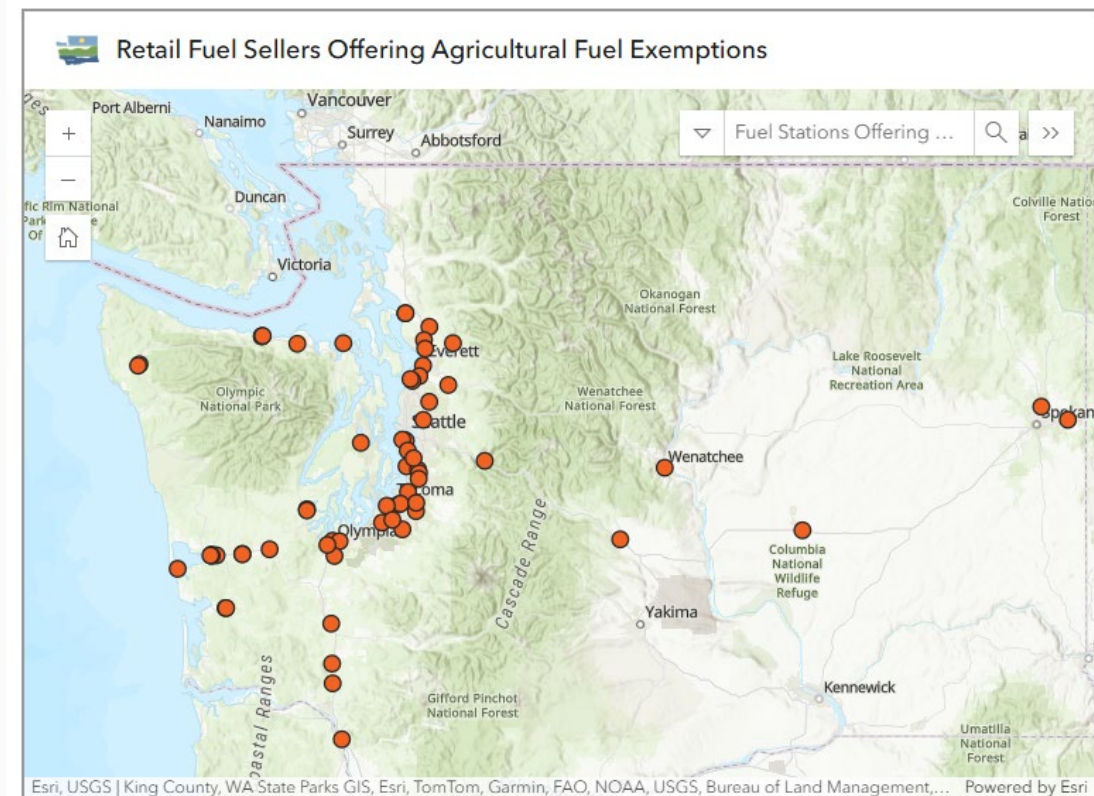


Railroads\*

*\*will be added to  
covered emissions in  
the future*

# Exempt agricultural fuel

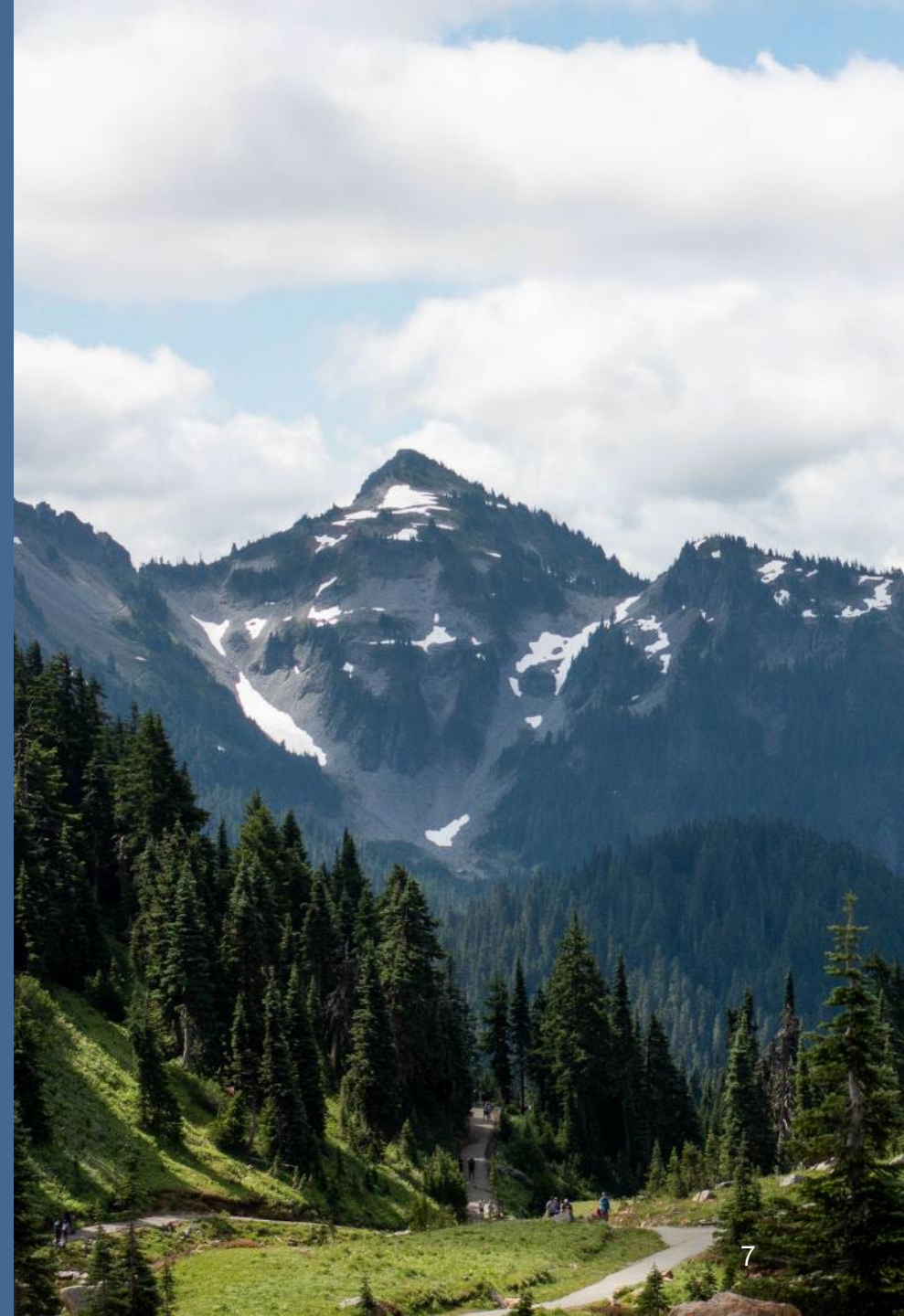
- Emissions from certain fuel uses are exempt under the CCA, including:
  - Fuels used for agricultural purposes by a farm fuel user
  - Fuels used to transport agricultural products on public highways (through 2029)
- On Oct. 1, Ecology published a directory to identify retail fuel stations and new guidance



Fuel station information is self-reported and continuously being updated. We recommend calling the fuel station directly to verify the information and learn more about its individual documentation requirements.



# CCA revenue



# CCA revenue

- Legislature determines which activities and projects are funded
- At least 35% of revenue to directly benefit vulnerable populations within overburdened communities
  - Goal = 40%
- 10% of revenue to projects with supported by Tribal resolution

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**CLIMATE**   
**COMMITMENT**  
**ACT** 

# Funded project examples

- \$30 million appropriated to Dept. of Licensing for the Agricultural Support Program
- \$5 million to Dept. of Agriculture for local and small community farms, including a grant program that supported 12 farms managing over 36,000 acres
- \$30 million for grants to school districts to replace deteriorating HVAC systems
- \$581,000 to the Saving Tomorrow's Agricultural Resources program to support soil health across the state

# Dairy digester grants



OCTOBER 6, 2025

## Anaerobic Dairy Digester Program now accepting pre-applications and feedback

Commerce is accepting pre-applications and feedback for \$12.8 million in Anaerobic Digester Development grants to help with dairy digester projects that repair, upgrade or develop dairy digesters

The Dairy Digester Program offers grants to build, repair, or upgrade digesters, including projects that add covers or flares. Applicants must show how their project will cut greenhouse gas emissions, reduce waste, and produce energy. A 15% funding match is required.

The pre-application and feedback forms are not mandatory and are designed to inform applicants, non-applicants and stakeholders about the upcoming Dairy Digester solicitation and give applicants a head start on application development. The information received will also help shape the full application process, including award limits, funding categories, and other key considerations.

### Important dates:

- Pre-application opens: October 7, 2025
- Pre-application closes: October 14, 2025
- Full Application opens: October 22, 2025 (Expected)

### Questions?

Contact [EPICgrants@commerce.wa.gov](mailto:EPICgrants@commerce.wa.gov).

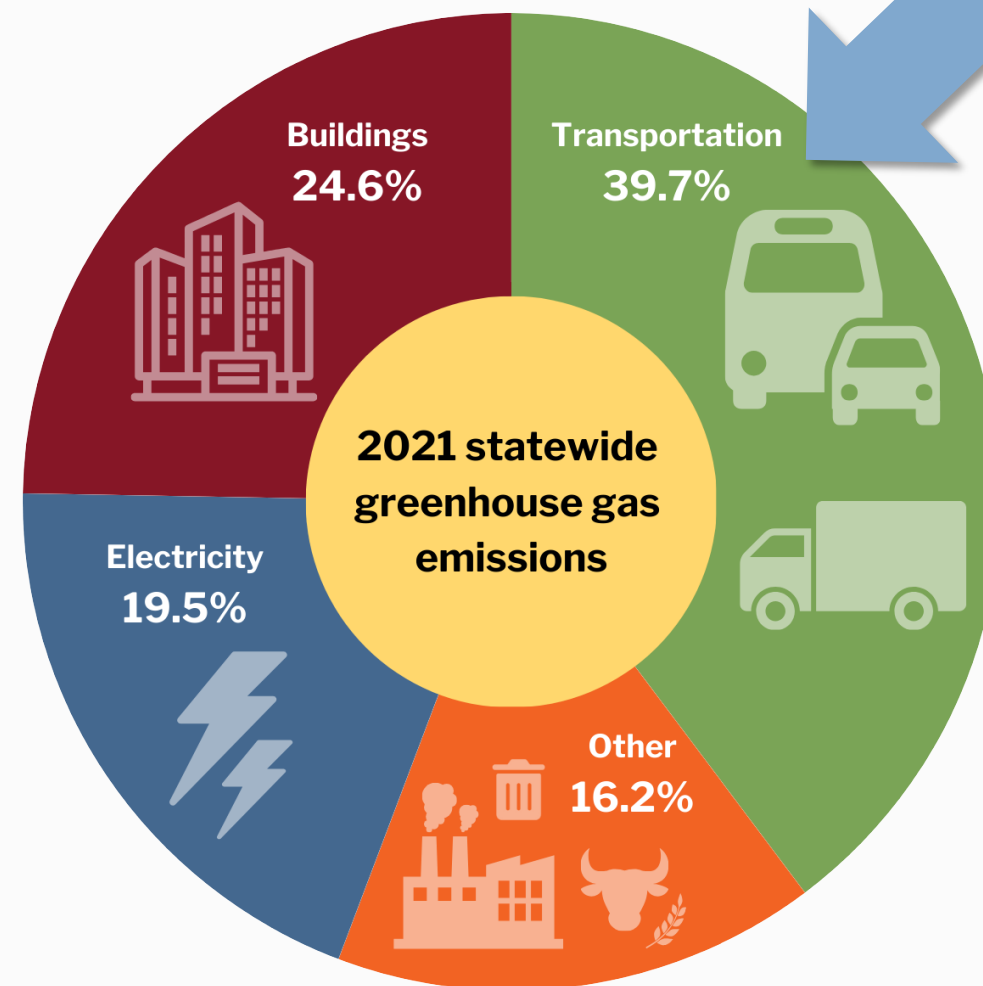


# Clean Fuel Standard

# Driving to a cleaner future

Transportation is Washington's greatest single source of greenhouse gas emissions.

- Transportation is also a major source of air pollutants.
- The Clean Fuel Standard (CFS) incentivizes the production of low-carbon transportation fuels.
- Vehicle emission standards increase clean vehicle availability.

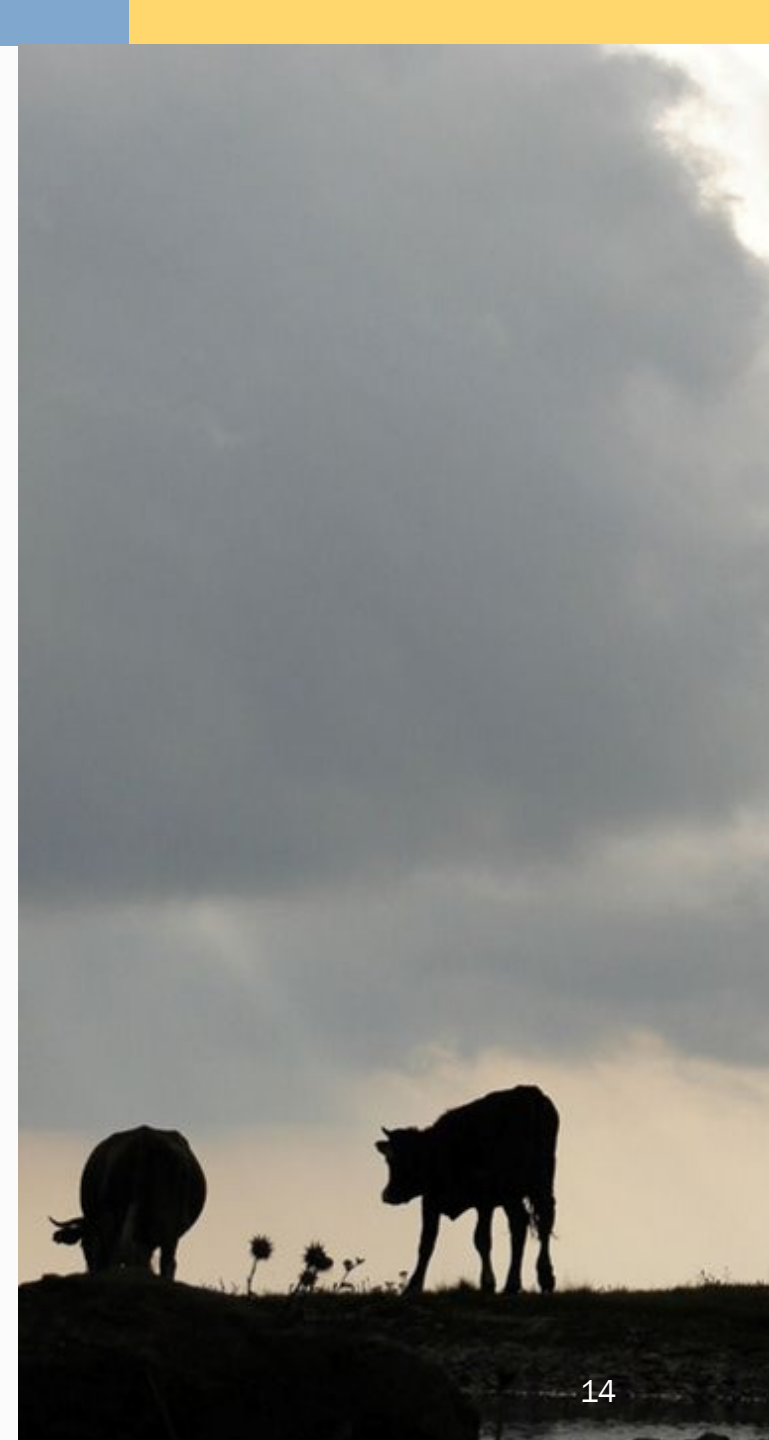


# How CFS drives emissions reductions

- The statute sets an annual carbon intensity standard for transportation fuels that goes down every year
  - Fuels with a carbon intensity **below** the standard generate **credits**
  - Fuels with a carbon intensity **above** the standard generate **deficits**
- Participants with deficits must buy credits balance their accounts
  - Credits come from low-carbon fuels such as biofuels, electricity, and renewable natural gas from dairy & swine.

# Digesters and the CFS

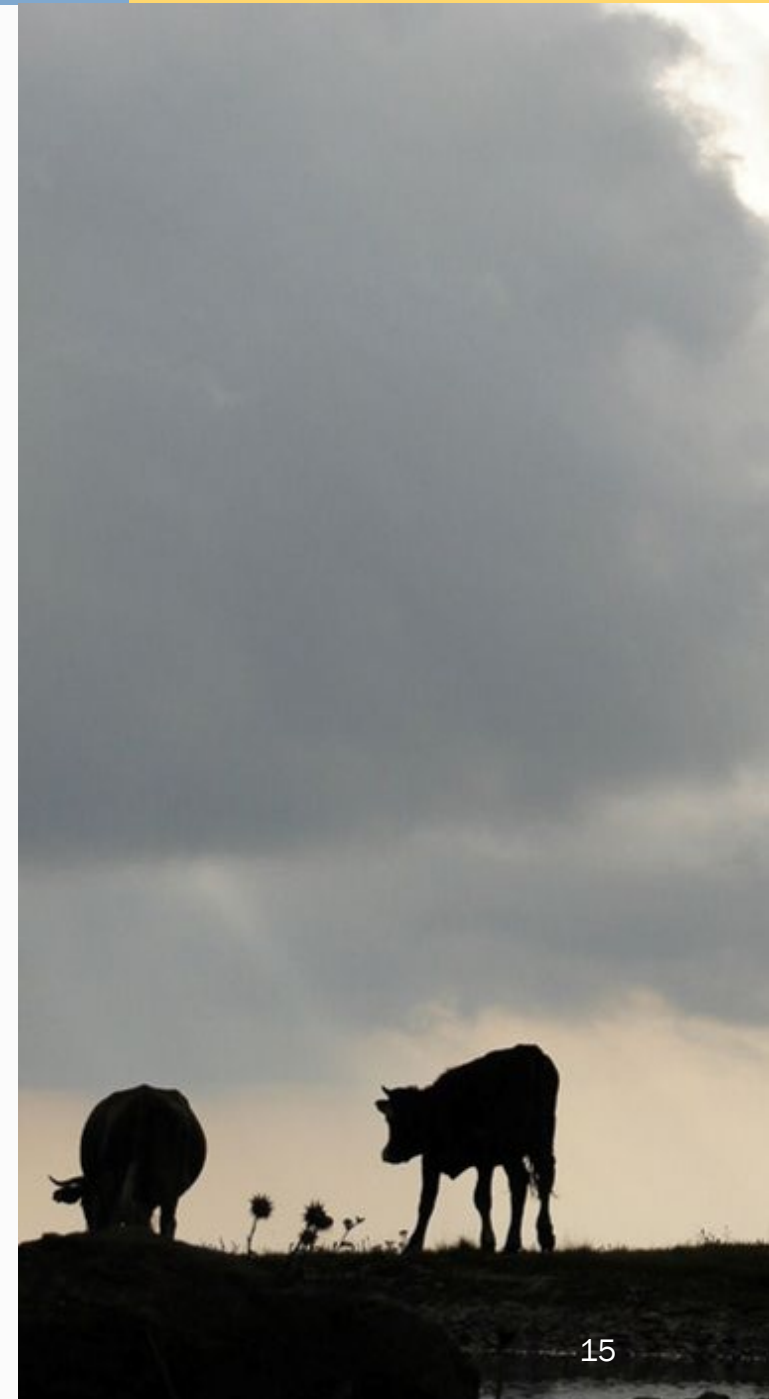
- Digesters producing renewable natural gas (RNG) for transportation fuel can generate CFS credits
  - RNG used to generate electricity for EV charging can also generate CFS credits
  - Credits are sold to generate revenue



# Digesters and the CFS

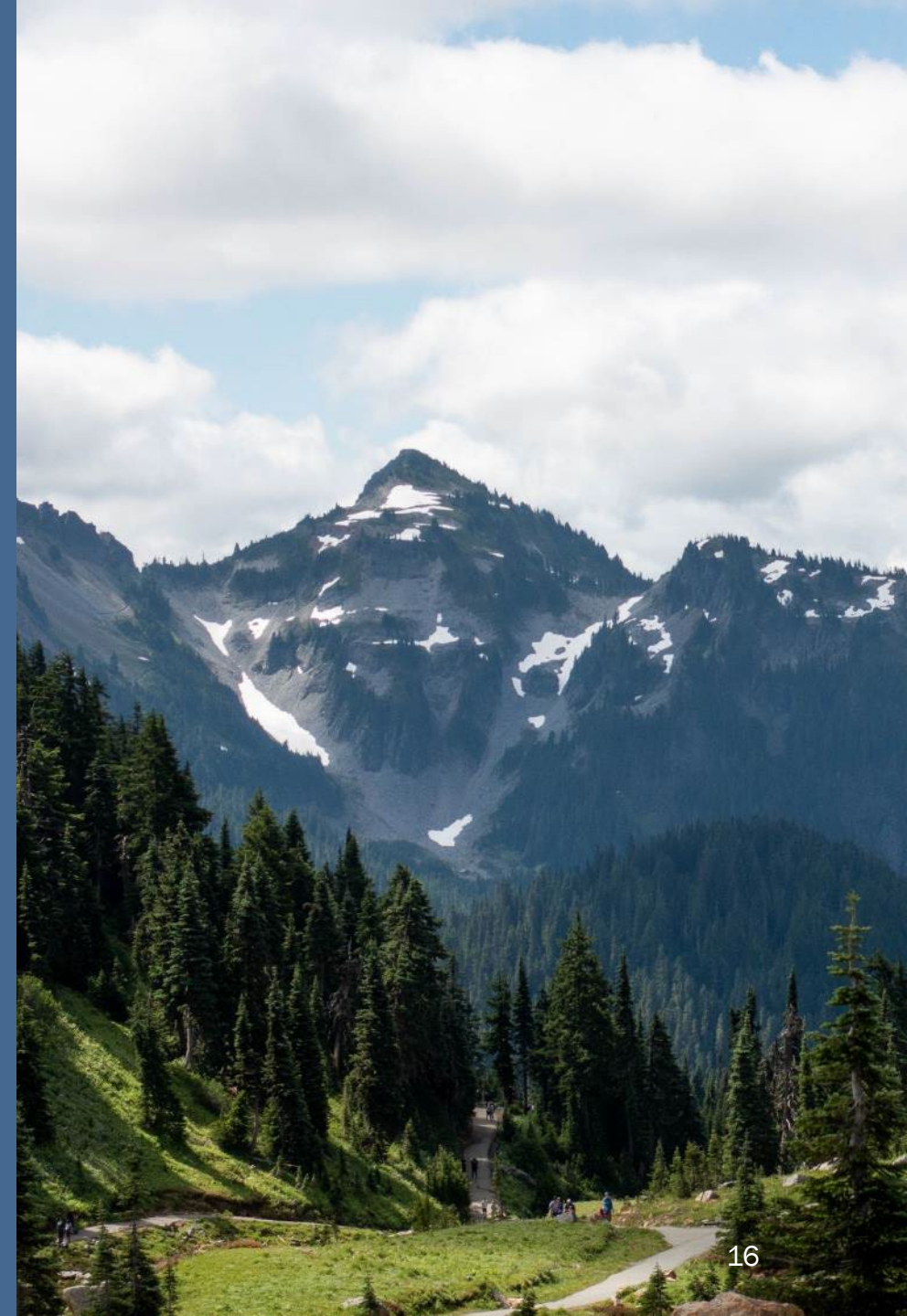
Other CFS benefits for dairy biomethane:

- Avoided methane crediting: Capturing methane before it reaches the atmosphere lets dairy biomethane generate significantly more CFS credits
- Book and claim: RNG produced anywhere in North America can be claimed in the CFS to generate credits (as long as it meets certain conditions)





# CFS rulemaking



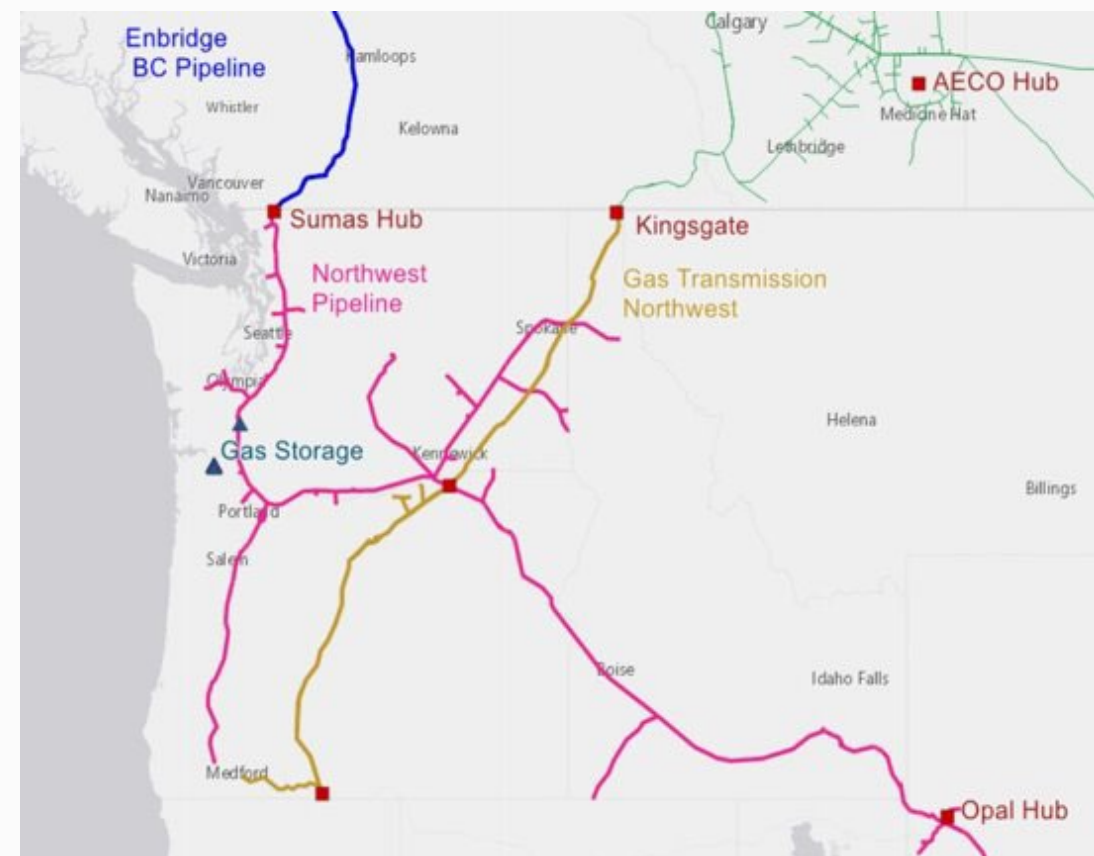
# Draft CFS rule proposal – released June 2025

## Proposed changes to book-and-claim for RNG:

- RNG must be injected into a pipeline connected to the natural gas pipeline network accessible to Washington
- The goal is to better incentivize regional dairies and RNG production

## Proposed changes to avoided methane crediting:

- Existing facilities (as of Jan. 1, 2023) can claim 14 years of credits
- New facilities can claim 15 years of credits



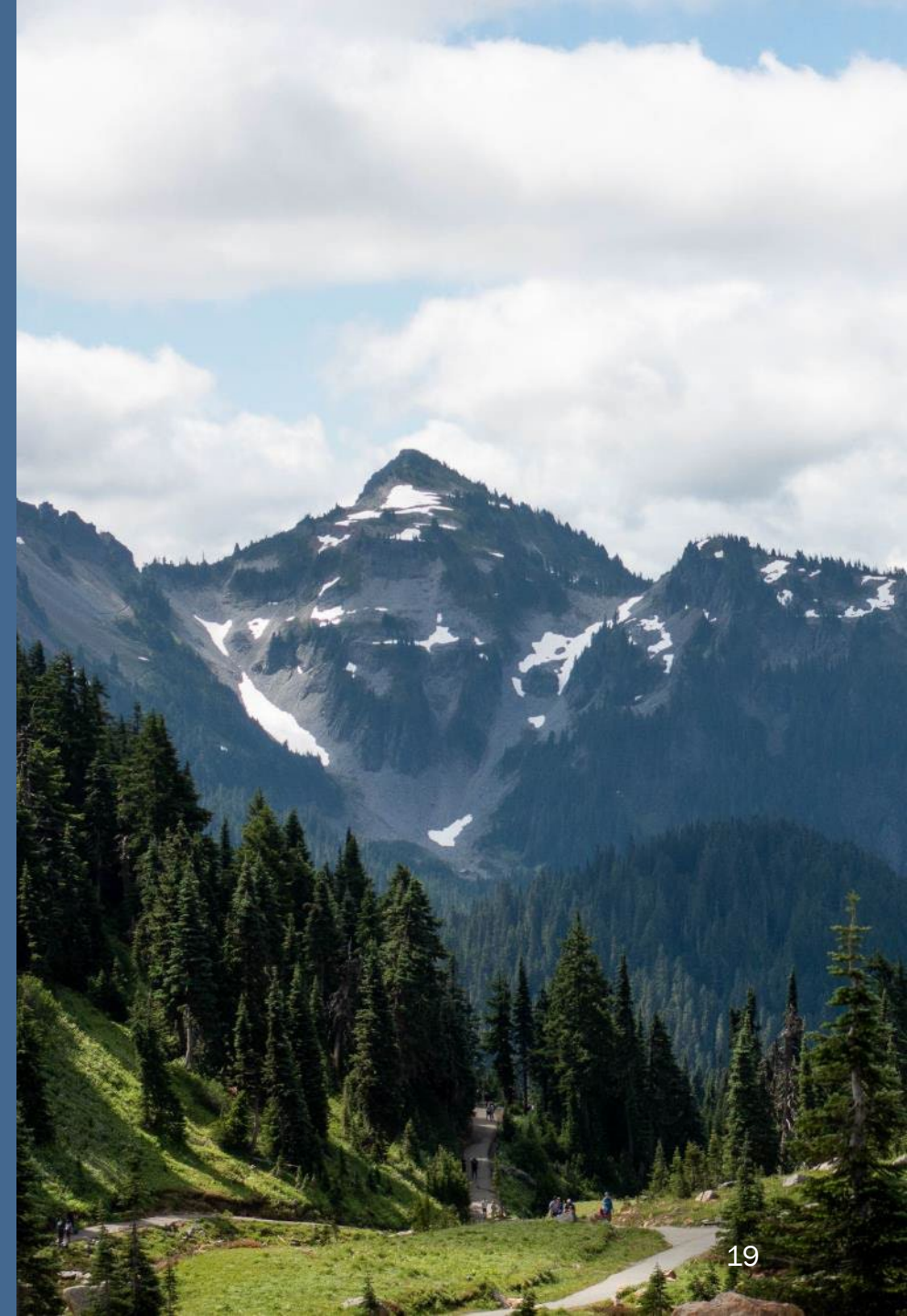
Source: Northwest Power & Conservation Council

# CFS rulemaking timeline



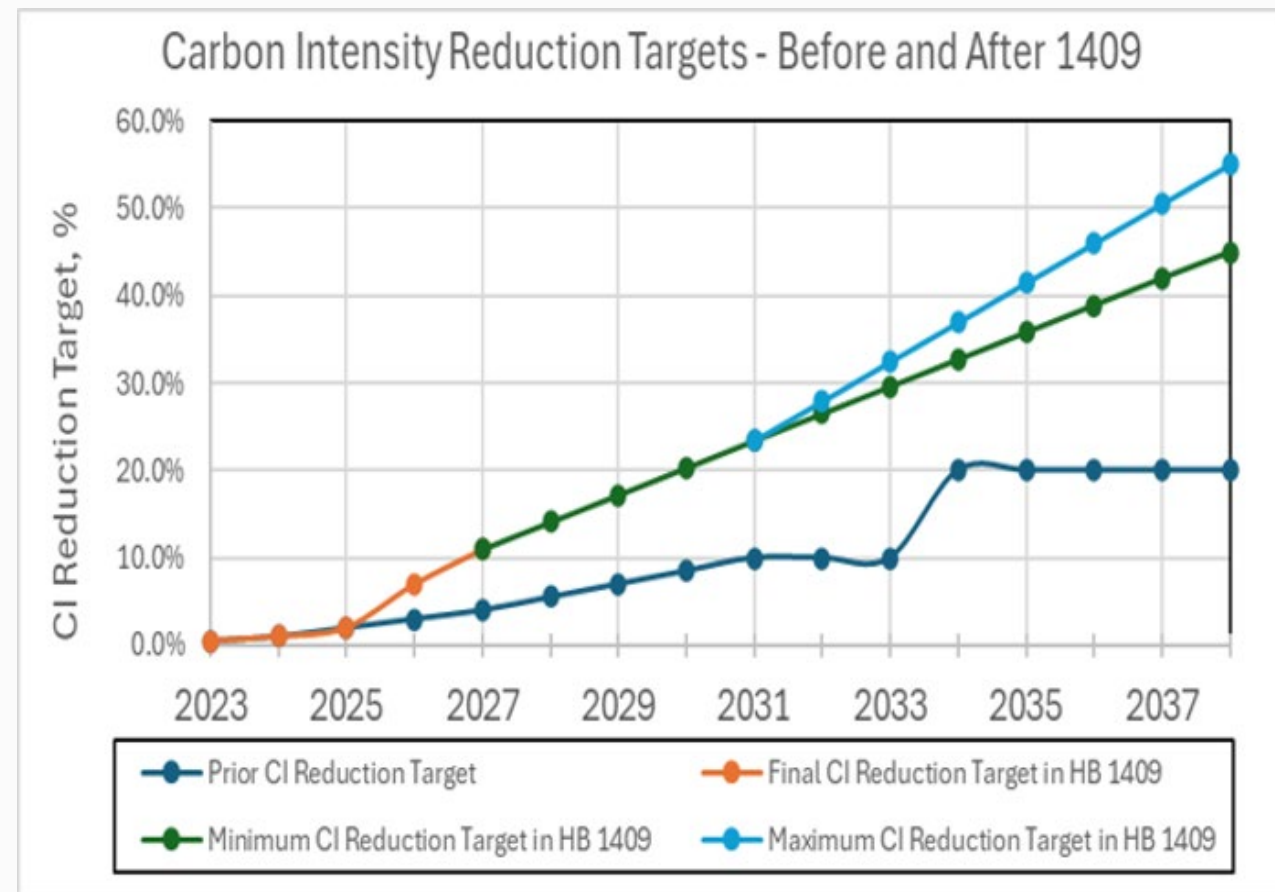


# Upcoming CFS changes



# Updated CFS carbon intensity standards

- HB 1409 amended the Clean Fuel Standard's carbon intensity reduction target to 45% below 2017 levels by 2038
- This will go into effect Jan. 1, 2026
- This will address the oversupply of credits that has resulted in low credit prices
- **Higher credit prices will mean dairy RNG will be more valuable in the CFS market, starting as early as next year**





# Thank you

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