



DEPARTMENT OF  
**ECOLOGY**  
State of Washington

# EITE Policy Advisory Group meeting

June 4, 2025

# Agenda

## **Purpose**

*Discuss and provide feedback on draft materials shared May 29*

## **Reminders**

- **Members:** Please rename yourself as needed and include your affiliation
- **Attendees:** please use chat only for Zoom technical issues

1

Welcome and introductions

2

Joint meeting #2 recap

3

Discuss draft materials:

- Document 3: Framework for assessing allocation methods
- Document 4: Methods for allocation

4

Next steps

5

Public comment opportunity

# Introductions

## Facilitation team – Ross Strategic

- Susan Hayman – Joint Meetings & Advisory Group Facilitation
- Farnaz Seddighzadeh – Advisory Group Support

## Ecology staff

- Adrian Young – Cap-and-Invest Industrial Policy Lead
- Andrew Hayes – Cap-and-Invest Policy Section Manager
- Isabel Hanify – Cap-and-Invest EITE Policy Planner
- Jihan Grettenberger – Cap-and-Invest Outreach Specialist

# EITE Policy Advisory Group members

- Altinay Karasapan – Climate Solutions
- Carly Michiels – Washington Public Ports Association
- Dan Wilson – United Steelworkers Union - Local 338
- David Mendoza – The Nature Conservancy
- Donny Donovan – IAM District 751
- Isaac Kastama – Clean and Prosperous
- Kassie Markos – Puget Sound Energy
- Keith Curl-Dove – Washington Conservation Action
- Richard May – SEI Fuel Services (7-Eleven)
- Steve Taylor – Cowlitz Public Utility District No. 1
- *2 delegates from the EITE Industries Advisory Group*
  - *Brent Downey (Kaiser Aluminum) ; Brandon Housekeeper (Alliance of Western Energy Consumers)*

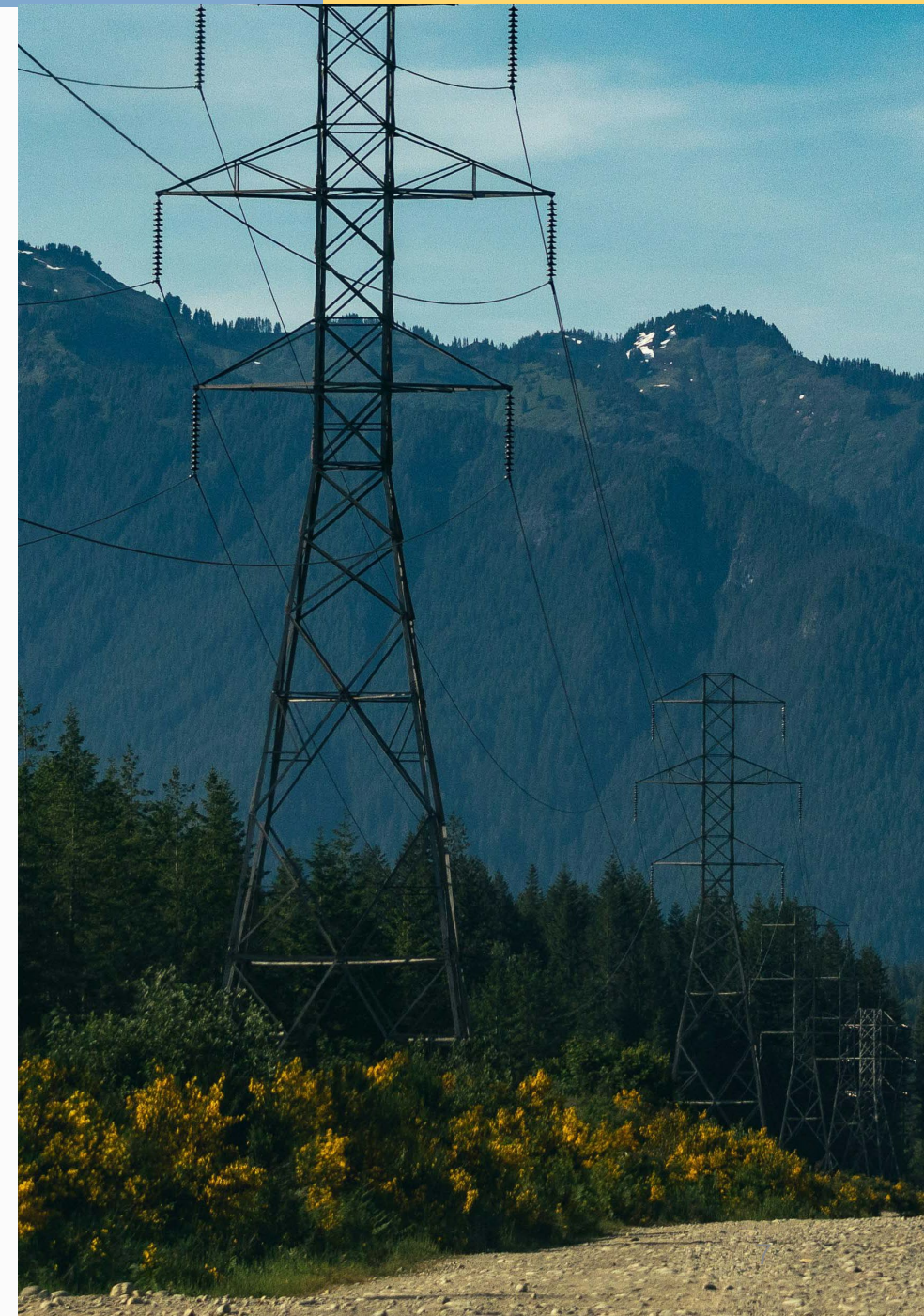


# Joint Meeting #2 Recap



# Joint meeting #2 recap

- Rocky Mountain Institute presentation
  - [Washington industrial decarbonization pathways, EITEs, and related policy](#)
- Eastern Research Group
  - [Environmental justice and economic/market information on EITEs](#)
- Draft materials released May 29
  - [Document 3: Framework for assessing methods for EITE allowance allocation](#)
  - [Document 4: Potential methods for allocating allowances to EITEs for 2035-2050](#)



# Before we jump into document discussions...





# Discussion

- Document 3: Proposed framework for assessing potential methods for EITE allowance allocation
- Document 4: Potential methods for allocating allowances to EITEs for 2035-2050



# Document 3 reminder...

Document 3: Framework for assessing methods for EITE allowance allocation sets out the draft framework for assessing potential methods for EITE allowance allocation within the Cap-and-Invest Program. The focus of this framework is to support a systematic and consistent assessment of the options outlined in Document 4\* and help inform recommendations to the legislature.

\*Or any other options proposed by advisory groups before June 9

# Overview of assessment framework

- Systematically assesses potential options for EITE allowance allocation:
  - Step 1: Screening criteria for identifying viable options
  - Step 2: Criteria for comparing viable alternative options
- Other considerations: Economic and environmental justice impacts

# Step 1 - Screening criteria

Criterion	Assessment Question
<b>Aligns with Ecology's Cap-and-Invest allowance budgets and auctioned allowance requirements</b>	Will the option ensure total no-cost allowances remain within the program cap/annual budget limits in RCW 70A.45.020 and align with auctioned allowance requirements in RCW 70A.65.100?
<b>Provides for new market entrants</b>	Does the option enable new EITE facilities to access no-cost allowances?
<b>Maintains flexibility for compliance</b>	Does the option allow EITEs to identify least cost compliance strategies, including the purchasing, banking, and selling of allowances?
<b>Compatible with market linkage</b>	Is the proposed policy option compatible with plans to link Washington's Cap-and-Invest market with those in California and Québec?

# Step 2 - Assessment criteria

Criterion	Assessment Question
<b>Mitigates emissions leakage</b>	To what extent does the option include mechanisms to identify and mitigate emissions leakage and maintain competitiveness of EITEs?
<b>Maintains incentives for decarbonization</b>	To what extent does the option maintain incentives for EITEs to reduce emissions intensity of production within Washington?
<b>Supports market functionality</b>	To what extent does the option support stable, competitive, and efficient market operations, e.g. liquidity and price signals?
<b>Minimizes administrative costs and complexity</b>	To what extent does the option require agency resourcing to implement/can be implemented using existing administrative systems, and minimizes additional requirements for EITEs?
<b>Provides clarity, objectivity, and predictability</b>	To what extent does the option provide clear, objective, and transparent methods to determine future allocations, and enables EITEs to plan for compliance?

# Document 4 reminder...

Document 4: Potential methods for allocating allowances to EITEs sets out the draft findings from staff screening of potential methods for allocating allowances to EITEs from 2035-2050 to avoid leakage and maintain the competitiveness of EITEs within the Cap-and-Invest Program.



# Potential methods for EITE allowance allocation

1. Establish a level playing field for EITEs producing within the jurisdiction
2. Identify and target industrial sectors most at risk of leakage
3. Maintain decarbonization incentives for EITEs and reward efficient production
4. Align with program cap and emissions limits
5. Other policy design considerations

# Mural board activity

1. Does the proposed assessment framework in Document 3 reflect the considerations that are important to the parties you represent?
2. Are there any criteria or assessment questions missing from this list? If so, what would you add and why?
3. Do the policy options in Document 4 reflect the policy design considerations that are important to the parties you represent?
4. What other policy options should be considered alongside the potential options identified in Document 4?
5. What other thoughts would you like to share?





# Next Steps

# Next steps

- EITE Industries Advisory Group
  - [June 5 from 9:00 a.m. to 11:30 a.m.](#)
- Joint Advisory Group meeting
  - [June 26 from 10:00 a.m. to 12:00 p.m.](#)
- Interim feedback
  - Email to [CCAITEIndustries@ecy.wa.gov](mailto:CCAITEIndustries@ecy.wa.gov) by June 9 interim deadline
- Final feedback/comment
  - Submit via the [electronic comment platform](#) by Sept. 3
- Meeting materials and recordings available on the [EITE webpage](#)



Facility located outside of Washington

# Public comment opportunity

## Guidelines for providing public comment

- Please use “raise hand” button to indicate that you wish to provide a comment or share in the chat.
- Up to two minutes per person
- Please keep the comments related to EITEs and the report to the Legislature
- Ecology will not respond to comments in this meeting
- To submit written comments, use our [comment platform](#)



Facility located outside of Washington





Photo taken outside of Washington

# Thank you!

**Adrian Young**  
Cap-and-Invest Industrial Policy Lead  
[CCAETEIndustries@ecy.wa.gov](mailto:CCAETEIndustries@ecy.wa.gov)

## Resources

- [Notifications on EITEs and the report](#)
- [EITE Industries webpage](#)