



DEPARTMENT OF
ECOLOGY
State of Washington

EITE Policy Advisory Group meeting

July 2, 2025

Agenda

Purpose

Discuss and provide feedback on draft materials shared June 26

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 #3 recap

3

Discuss draft materials:

- Document 5: Review of methods for allocating allowances to EITEs for 2035-2050

4

Next steps

5

Public comment opportunity

Introductions

Facilitation team – Ross Strategic

- Susan Hayman – Joint Meetings & Advisory Group Facilitation
- Heather Christopher – 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 Industrial 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*
 - *Pamela Barrow, Food Northwest; Jackie White, Northwest Pulp & Paper Association*

Report timeline and engagement approach

Aug–Dec 2024 (Phase 1)

 **Completed**

- Collected information, and identified factors affecting EITE allocation & decarbonization
- Established advisory groups
- Convene Tribal forum
- Convene public meeting

May–Aug 2025 (Phase 2)

- Develop and test draft findings and recommendations
- Discuss policy impacts
 - Advisory groups
 - Small group meetings
 - Tribal forum
 - Public meeting

Feedback due Sept. 3, 2025

Sept–Nov 2025 (Phase 3)

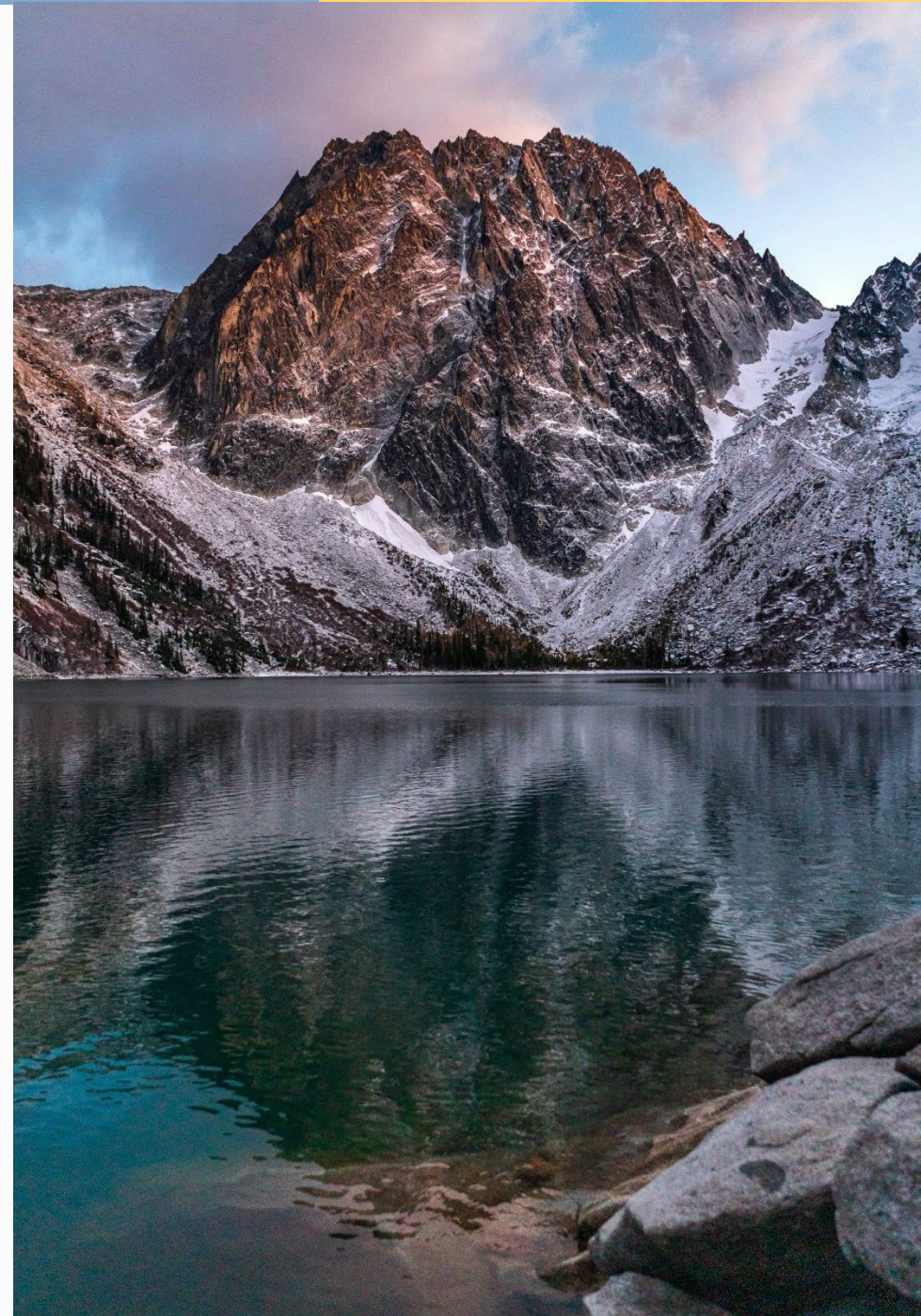
Ecology prepares and submits final report to the Legislature.



Joint Meeting #3 Recap

Joint meeting #3 recap

- Pacific Northwest Utilities Conference Committee (PNUCC) presentation
 - [Northwest Regional Forecast of Power Loads and Resources: Regional Utility Perspective](#)
- Energy + Environmental Economics (E3) presentation
 - [Industrial electrification and the PNW electric system](#)
- Draft materials released June 26
 - [Document 5: Review of methods for allocating allowances to EITEs for 2035-2050](#)



Before we jump into document discussions...





Discussion

Document 5: Review of options for allocating allowances to EITEs for 2035-2050

Document 5 reminder...

Document 5: Review of options for allocating allowances to EITEs for 2035-2050 presents a draft assessment of potential allowance allocation options, aiming to inform and gather feedback from Advisory Group members on key findings and emerging policy design choices to guide future decisions.

Method: Assessment framework

Two-step assessment framework for identifying and assessing potential options for EITE allowance allocation:

- Step 1: Identify viable options using screening criteria
- Step 2: Compare viable alternative options using assessment criteria

Modifications from framework proposed in Document 3:

- Additional Step 2 criterion that considers extent to which options enable facility-specific circumstances to be accounted for
- Numerical scale (-2, -1, 0, 1, 2) used for scoring policy options using the assessment criteria in Step 2

Method: Options assessed

Sixteen options were assessed across four Policy Design Considerations:

1. Establish a level playing field for EITEs producing within the jurisdiction
2. Identifying and targeting assistance for EITEs in Washington that are most at risk of leakage
3. Maintain decarbonization incentives for EITEs and reward efficient production
4. Align with program cap and emissions limits

Options included allowance allocation based on Best Available Technology and sector-based benchmarks/reduction schedules

Staff made certain assumptions about option design to inform assessment
– refer to section 3 of Document 5

Summary of key choices

Policy Design Consideration 1

- Whether to continue providing no-cost allowances to EITEs using output-based allocation from 2035 onwards (Option 1a) or to implement a state-level carbon border adjustment mechanism and phase out allowance allocation (Option 1c).

Policy Design Consideration 2

- Whether to implement an assistance factor based on leakage risk (Option 2b) and/or whether to extend leakage risk mitigation to include purchased electricity (Option 2c).

Policy Design Consideration 3

- Whether product-based benchmarking (Option 3c), updating allocation baselines (Option 3b), or BAT based allowance allocation (Option 3f) would provide important additional benefits to justify changes to existing allocation baselines (Option 3a).
- Whether consignment of a portion of EITE allowances (Option 3e) provides sufficient benefits.

Policy Design Consideration 4

- Whether to implement a cap adjustment factor from 2035 (Option 4a) or prioritize allowances for facilities manufacturing products consistent with statewide net-zero emissions limits (Option 4c).

Other considerations

- Which combination of options would provide the most overall benefits without excessive implementation requirements.
- How to account for the uncertainty around future international trade and climate policy environment affecting EITEs in the mid-2030s and 2040s.



Next Steps

Next steps

- EITE Industries Advisory Group
 - [July 3 from 9:00 a.m. to 11:30 a.m.](#)
- Joint Advisory Group meeting
 - [July 24 from 10:00 a.m. to 12:00 p.m.](#)
- Interim feedback
 - Email to CCAIEITEIndustries@ecy.wa.gov by July 8 interim deadline
- Final feedback/comment
 - Submit via the [electronic comment platform](#) by Sept. 3
- Meeting materials and recordings available on the [EITE webpage](#)



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 EITs and the report to the Legislature
- Ecology will not respond to comments in this meeting
- To submit written comments, use our [comment platform](#)





Thank you!

Adrian Young

Cap-and-Invest Industrial Policy Lead

CCAEITEIndustries@ecy.wa.gov

Resources

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