



Cap-and-Invest EITE Policy Advisory Group

Ecology seeks expressions of interest by August 8, 2024

The Department of Ecology (Ecology) is establishing advisory groups to provide input on a report to the Legislature related to the allocation of no-cost allowances to emissions-intensive, trade-exposed industries (EITEs) under the Climate Commitment Act (CCA).

Ecology is seeking expressions of interest from representatives of Cap-and-Invest Program covered entities and other interested parties to participate in the EITE Policy Advisory Group from September 2024 to August 2025.

Background

In establishing the CCA, the Legislature recognized that EITEs face unique challenges in reducing their emissions in the early years of the Cap-and-Invest Program. The Legislature elected to provide EITEs no-cost allowances that cover most of their compliance costs until the end of 2034.

The Legislature did not specify the approach for EITE no-cost allowances between 2035 and 2050. Ecology has been tasked with compiling a report that offers information and recommendations on how best to proceed.

Ecology's report will include consideration of:

- Best practices for avoiding 'leakage' of emissions – which is when industries move their operations out of state to avoid regulatory costs and do not reduce overall emissions.
- Different approaches for measuring the emissions generated by EITE industries per unit of production – which informs how many no-cost allowances EITEs receive each year.
- Opportunities and barriers for the decarbonization of EITE Industries in Washington.
- Implications for the achievement of statewide emissions limits and environmental justice outcomes, including potential impacts on local air quality.
- Potential impacts on revenues generated by the Cap-and-Invest Program.

Opportunities to engage on Legislature report

Ecology will be providing multiple engagement opportunities to ensure EITE Industries, Tribes, covered entities and other interested parties can provide input into the development of Ecology's report. This includes establishing this EITE Policy Advisory Group, and a separate advisory group for representatives of EITEs, as well as forums for Tribes, the public, and overburdened communities. Ecology is also planning to conduct a preliminary Environmental Justice Assessment in preparing the report.

In recognition of the importance of providing clarity on the allocation of no-cost allowances to EITEs from 2035-2050, Ecology plans to submit its report to the legislature by November 2025, a year earlier than required by the CCA. This will also allow for a more robust legislative process as the state considers this important policy.

The Cap-and-Invest EITE Policy Advisory Group

The purpose of the EITE Policy Advisory Group is to enable covered entities and other interested parties to provide feedback and information to inform the findings and recommendations in Ecology's report to the legislature. This group is expected to provide a program-level and statewide perspective on EITE allocation policies under the Cap-and-Invest Program, including implications for covered entities and achievement of program objectives.

Advisory group members will be expected to attend virtual meetings and to review meeting materials. Meetings are expected to run for 2-3 hours and will be facilitated by Ecology. Meeting materials will be published online, and the public will be able to attend advisory group meetings as observers. Advisory group members are expected to participate on a volunteer basis and not be compensated by Ecology for their participation¹. In-person meetings may be considered if there is sufficient interest and availability from group members.

The first meeting of the EITE Policy Advisory Group is currently scheduled for the morning of **September 19, 2024**. Further meetings are currently scheduled to be held in October, and December 2024, with additional meetings to be scheduled during March to August 2025. The format of the advisory group may be modified in early 2025 ahead of any meetings in that year.

Membership

The EITE Policy Advisory Group will be comprised of representatives of different types of Cap-and-Invest Program covered entities and other interested parties who can provide input on the policy considerations related to the allocation of allowances to EITEs under the Cap-and-Invest Program. Ecology will seek to ensure representation from a range of covered entities and interested parties on the advisory group and that members can collectively provide a broad array of applicable knowledge and information related to topics being considered in the report.

Ecology will determine the membership of the EITE Policy Advisory Group based upon responses to this solicitation for advisory group members and the ability of representatives to meet the requirements set out above. Members may be added, should Ecology and/or the Advisory Group identify gaps in the interests or knowledge represented in the group.

Expressions of Interest

Representatives of covered entities and/or other interested parties wishing to participate in the EITE Policy Advisory Group must submit an expression of interest to Ecology using the attached form. Expressions of interest should be submitted by **Thursday, August 8, 2024 at 11:59 p.m.** and sent to CCAETEIndustries@ecy.wa.gov.

Ecology will aim to confirm membership of the EITE Policy Advisory Group and provide details of the first meeting by the end of August 2024. For those not participating in the Advisory Group and interested in regular updates on this work, sign up for our [EITE Industries email list](#). Find updates on the [EITE Policy Advisory Group webpage](#).

If you have questions about the EITE Policy Advisory Group or the expression of interest process, please contact Ecology at CCAETEIndustries@ecy.wa.gov.

¹ Ecology may be able to provide compensation for advisory group members if they meet the eligibility criteria of the [State Office of Equity's community compensation guidelines](#). Contact Ecology to discuss further.