CLIMATE ACTION IN WASHINGTON STATE

Leading the state-level march towards the Paris Agreement

Sen. Reuven Carlyle
Chair, Environment, Energy & Technology Committee
Washington State Legislature
2022
Our journey toward major climate legislation

2007
Washington enters the Western Climate Initiative.

2013

2018
Carbon tax bill, SB 6203, passes Senate policy committee for first time; fails to pass Legislature.

2019
100% Clean Energy/CETA passes Legislature. Cap and invest legislation introduced.

2009
Major cap-and-invest legislation introduced at request of Gov. Christine Gregoire.

2016
Citizen activist-led carbon tax initiative, I-732, fails at the ballot box, receiving little institutional support.

2022
Legislature passes building standards, methane control legislation, and $17B transportation package, including $5.4 billion in CCA revenues.

2018
Second carbon tax initiative, I-631, with broad environmental, labor, and activist support, fails at the ballot box.

2021
Cap and invest, HEAL Act (Env Justice), Clean Fuel Standard pass into law.
Emissions targets are science based and set in statute

Statutory greenhouse gas limits were updated in 2020:

- By 2020: Reach 1990 levels
- By 2030: 45% below 1990 levels
- By 2040: 70% below 1990 levels
- By 2050: 95% below 1990 levels, achieve net zero emissions
These targets require multi-sector emissions reductions: electricity, transportation, buildings, industry, appliances

Source: Governor’s Office, Department of Ecology
Washington’s policy framework assumes strong 2030 targets with accountability

Projected percentages & levels of emission reduction attributable to specific policies by 2030:
- Clean fuel standard (2021) - 1.8 MMT
- CETA (2019) and other electricity policies - 12.1 MMT
- HFC phaseout (2019 and 2021) - 1.3 MMT
- Other carbon reduction policies - 2.1 MMT
- Climate Commitment Act (2021) - 26.2 MMT
- Remaining reductions needed - 6.1 MMT
- 2030 emissions limit - 50 MMT
Climate Commitment Act — SB 5126 (Carlyle) creates a cap and invest program with enforceable limits on emissions. Generates $8.4B in funding for investments in climate, equity, and transportation projects through 2040.

Clean Fuels Program — HB 1091 (Fitzgibbon) requires transportation fuel producers to reduce the carbon intensity of fuels by 20% below 2017 levels by 2038.

HEAL Act — SB 5141 (Saldaña) embeds environmental justice principles in the full range of state agency work.

Move Ahead Washington — SB 5975 (Liias) invests $17B in transit, fish culverts, multimodal, clean transportation, EV infrastructure.
Broad-based, diverse support for CCA
Climate Commitment Act

- A comprehensive, economy-wide carbon pricing program to reduce greenhouse gas emissions across all sectors.

- Central value is a firm, declining cap on aggregate emissions. Modest, well-crafted off-sets are INCLUDED under the cap.

- State sets a schedule for emission reductions (2023-2050) and emitters purchase market-based permits to reduce emissions in the most economically and environmentally efficient way.

- Designed for Washington to join the Western Climate Initiative (California & Quebec cap & trade program).

- Generates $7.4 – 7.7B over the program’s first 16 years for priority climate investments.

CLIMATE ACTION IN WASHINGTON STATE
CCA annual public revenue distribution

• Total revenues for the first 16 years are estimated at $7.4-7.7 billion, with 72% of revenue deposited to the Carbon Emissions Reduction Account (CER) and 28% to the Climate Investment (CI) and Air Quality and Health Disparities Improvement Accounts (AQHDI).

• Environmental justice & equity criteria is required for spending.

• From 2038 on, *annual auction revenues* are deposited evenly to both accounts.

<table>
<thead>
<tr>
<th>Year</th>
<th>Carbon Emissions Reduction Account (transportation budget)</th>
<th>Climate Investment Account / Air Quality and Health Disparities Improvement Account (operating budget)</th>
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<tbody>
<tr>
<td>2023</td>
<td>$127 million</td>
<td>$101 million</td>
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<tr>
<td>2024</td>
<td>$357 million</td>
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<td>2025</td>
<td>$367 million</td>
<td>$95 million</td>
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<tr>
<td>2026-2037</td>
<td>$359 million</td>
<td>$101 million increasing to $289 million</td>
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Clean transportation: Move Ahead Washington

• Move Ahead WA transportation package (Liias) invests $17B over 16 years.
  • $5.4B in revenue from the Climate Commitment Act funds non-highway related investments

• Over $4.3 billion in transit, bike, and pedestrian investments.

• Includes free fare for youth 18 and younger for all public transit statewide
  • $290M Safe Routes to School
  • $216M School Based Bike Program – a statewide school-based bicycle education grant program
  • $278M Bike/Ped Grant Program
  • $313M Bike/Ped Project List
  • $146M Complete Streets
  • $50M Connecting Communities Grants

Image source: University of Washington
Builds a new political, policy & relationship nexus between transportation and climate action

• Alternative Fuel & Electrification
  • $392M State & Local De-Carbonization Projects
  • $125M Carbon Emissions Reduction Local Grants
  • $71M for EV Council/Grants
  • $35M Aviation Grants (including $10M for Sustainable Aviation)

• Ferries
  • $1,346B ($210M CCA Portion) 4 new hybrid-electric vessels
  • $193M Electrification (vessel refits & terminals, including 2 jumbo vessel conversions)
  • $350M Ferries Operating Account Support & $160M Ferries Preservation Support

• $2.4B Fish Culverts (salmon restoration)

• $150M Ultra High-Speed Rail
  • Funded by the Climate Commitment Act
HEAL Act
Healthy Environment for All (Saldaña)

- Formal definition of Environmental Justice
- Environmental Justice Council established
- Tribal Consultation—gov’t to gov’t
- Environmental Health Disparity Map
- Covered agencies must:
  - Incorporate EJ into Strategic Plans & Budget
  - Develop Community Engagement Plans
  - Conduct EJ Assessments
  - Overlay EJ into the foundation of agency work
Environmental Justice is embedded across budgetary, policy & strategic decisions

- **Environmental Justice Council**: Provides community-driven recommendations for investments and implementation of climate measures.

- **Safety valve** to ensure protection against any increase in facility-based emissions from the use of offsets.

- **Government-to-government consultation** with tribes.

- The state **monitors air pollution** from all sources, not only facilities covered under cap.

- Provides state authority to issue **enforceable orders** to reduce air pollution.

- **Requires the state to act** to reduce emissions in areas where pollution exceeds other nearby, overburdened communities.

State-level climate policy action is vital

Washington Legislature approves caps on carbon pollution and greenhouse gas emissions, giving big win to Inslee, environmentalists

By Joseph O'Sullivan
Seattle Times staff reporter

Washington state now has the nation's most ambitious climate policy
And, yes, it includes carbon pricing.

David Roberts
May 5, 2021

Washington politicians promote state climate laws at Glasgow UN summit

By Hal Bernton
Seattle Times staff reporter

CLIMATE ACTION IN WASHINGTON STATE
The new gold standard for climate action

“…the Climate Commitment Act could be a tipping point to catalyze action across the United States – both in slashing climate emissions but doing it in a way that addresses localized pollution as well. This could be the new gold standard for other states to follow.”

– Environmental Defense Fund

Without much national attention, the last few years have seen Washington quietly put into place the most comprehensive and ambitious slate of climate and energy policies of any US state. Yes, I’m talking to you, California.”

- David Roberts, Climate Policy Journalist
“We are the first state in the nation and one of the few governments in the world with binding, enforceable commitments to science-based, net zero 2050 targets—and a meaningful action plan and policy roadmap to get there.

We have entered a new era of deep decarbonization, reduced consumption, smarter growth, equity and social justice and global sustainability. We are building a modern, 21st Century approach to climate action that lifts up our quality of life while walking more gently upon the earth.”

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