



July 14, 2022

Joshua Grice  
Washington Department of Ecology  
300 Desmond Drive SE  
Lacey, WA 98503

**Comments on Chapter 173-446 WAC – Draft Climate Commitment Act Program Rule**

Dear Mr. Grice,

The Northwest Seaport Alliance (NWSA), the Port of Tacoma, and the Port of Seattle appreciate the opportunity to jointly comment on the development of the Climate Commitment Act (CCA) program rule. Implementation of the CCA quickly and effectively is critical to ensuring that Washington's ports continue delivering jobs, services, and goods while reducing air pollution and carbon emissions. Establishing clear rules and signaling what is required is crucial to successful implementation and for the business community to make the necessary investments to comply.

The NWSA is a port development authority authorized under RCW 53.57 between the ports of Tacoma and Seattle for the joint management of their marine cargo operations. As the fourth largest gateway for containerized cargo in the United States, marine cargo flowing through the NWSA's facilities support an estimated 58,400 jobs, produces more than \$4 billion in labor income per year, and generates over \$270 million in state taxes per biennium. The Port of Tacoma continues to operate the non-container business lines in the Tacoma area and the Port of Seattle operates Sea-Tac Airport, cruise terminals, and other maritime business lines in Seattle. The ports have adopted aggressive goals to phase out seaport-related emissions in our airshed by 2050 through our 2020 Northwest Ports Clean Air Strategy. We have also adopted implementation plans, including actions and milestones to be achieved in the next five to ten years. For the NWSA and Port of Tacoma, these near-term actions include installing shore power at major container terminals, demonstrating zero-emission drayage trucks, and deploying zero-emission cargo-handling equipment. Last fall, the Port of Seattle advanced its targets for greenhouse gas emissions, aiming for net zero Port operations by 2040 and carbon neutral scope 3 emissions by 2050. Key actions include cruise shore power, harbor vessels, ground

transportation and sustainable maritime and aviation fuels. These are critical first steps; however, deploying zero-emission technology across all Port operations is not easy and technological breakthroughs, incentives for early-adopters, and development of charging/fueling infrastructure are much-needed.

The Legislature, when enacting the CCA, recognized that certain sectors of the economy would be difficult to decarbonize, including maritime shipping, trucking, and aviation. To address this, the Legislature intended the CCA would provide funding for investments to support the transition in these sectors. *See* RCW 70A.65.240. We look forward to working with the Legislature, Ecology, and other state partners to identify partnerships and funding streams for carbon-reduction projects in these sectors. In this process, we are prioritizing projects that also generate air quality improvements in over-burdened communities. Furthermore, we are learning from California where investments in cleaner heavy-duty trucks appear to be improving air quality in overburdened communities, although there is clearly more work to do.<sup>1</sup> We also look forward to working with Ecology, the Legislature, and other state partners in implementing the Clean Fuel Standard and Advanced Clean Truck Rule, in parallel with the CCA.

While the CCA program rulemaking cannot allocate CCA funds, it *can* ensure that the program generates revenue as intended. Therefore, while the Ports and NWSA are not covered entities under the CCA, we offer the following specific comments to ensure the CCA is implemented in a manner that maximizes carbon reductions while supporting Washington's ports, maritime industry, and trade economy.

- We support the allowance price floor and price ceiling proposed in WAC 173-446-335. We encourage Ecology to seek stability in the allowance market to ensure the CCA raises revenue for targeted investments as the Legislature intended.
- For that reason, we also support linkage with the California Cap and Trade market. Linking with California will provide a broader allowance market that should reduce the likelihood of allowance price fluctuations that approach the price ceiling or price floor.
- Furthermore, we support the provisions of the rule relating to natural gas and electric utilities reinvesting the revenue from allowance sales. However, to the extent allowed under RCW 70A.65.120, we believe that electric utilities and natural gas utilities should also reinvest the revenue in projects that benefit air quality in overburdened communities. We propose that WAC 173-446-300(1)(ii)(H)(iv) be modified to read “weatherization,

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<sup>1</sup> *See e.g.*, Cal. Office of Environmental Health Hazard Assessment, *Benefits and Impacts of Greenhouse Gas Limits on Disadvantaged Communities* (Feb. 3, 2022) available at: <https://oehha.ca.gov/environmental-justice/report/ab32-benefits?eType=EmailBlastContent&eId=1236bb5b-b05c-42a2-9d50-924b0a8eea0b>.

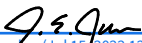
decarbonization, conservation and efficiency services, bill assistance, and to prevent or mitigate impacts to overburdened communities.”

- Finally, we encourage Ecology to develop offset protocols that provide direct benefits to overburdened communities.<sup>2</sup> We encourage Ecology to explore a simple urban forestry protocol and alternative offset projects not directly covered by the CCA or Clean Fuel Standard. These projects could include carbon capture, and marine or rail fuel switching, for example.

The CCA cannot achieve its dual mission of significantly reducing carbon emissions while advancing environmental justice without supporting the zero-emissions transition of the drayage, heavy-duty trucking, aviation, and maritime sectors. These sectors are among the most difficult to decarbonize and are important to improving air quality in overburdened near-port communities.

The NWSA, Port of Seattle, and Port of Tacoma are ready to work with the Legislature, Ecology, and other stakeholders to ensure the CCA accelerates this transition. Thank you for your attention to our comments.

Sincerely,

  
Jason Jordan (Jul 15, 2022 12:45 PDT)

Jason Jordan  
Director of Environmental Programs  
Port of Tacoma & Northwest Seaport  
Alliance



Sandy Kilroy, Senior Director,  
Environment, Sustainability, and  
Engineering  
Port of Seattle

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<sup>2</sup> While the urban forest offset protocol referenced in WAC 173-446-505(3)(d) may provide these benefits, we understand California has not generated significant interest in these projects, perhaps in part due to the cost, monitoring, and complexity of the protocol. *See e.g.*, Cal. Air Resources Board Offset Credit Issuance Table, available at: <https://ww2.arb.ca.gov/our-work/programs/compliance-offset-program/arb-offset-credit-issuance>.