September 26, 2023

Harrison Ashby
Rulemaking Lead
Washington Department of Ecology
300 Desmond Dr SE, Lacey, WA 98503

Re: CCA Funds Reporting Rulemaking Key Input Survey #2

Climate Solutions appreciates this opportunity to share initial thoughts to the Department of Ecology ("Ecology") as it begins its Climate Commitment Act Funds Reporting rulemaking process. Climate Solutions is a nonprofit organization working to accelerate clean energy solutions to the climate crisis. The Northwest is a hub of climate action, and Climate Solutions is central to the movement as a catalyst and advocate.

We are grateful for the numerous opportunities to provide comments and engage as the rule evolves. Listed below are considerations and recommendations for each question in the survey. We hope these recommendations serve as useful guidelines as Ecology formulates processes and methods for tracking and reporting Climate Commitment Act (CCA) investments.

Q1. What information should ECY provide in its annual report?

Include annual and cumulative data, visuals, and investment case studies in Washington's annual report. At Ecology's Stakeholder Meeting on September 7th, staff shared they are considering adopting the California Air Resources Board's (CARB) methods for tracking investments' greenhouse gas (GHG) emissions reductions. Building on this, we recommend that Ecology also include elements of California's annual report into Washington's annual report. CARB's annual report comprehensively summarizes annual investments and GHG reductions to provide a snapshot of investments from a given budget year, as well as cumulative investments and GHG reductions to demonstrate investments' *cumulative* impacts and progress towards state GHG reductions.

Their report also includes numerous graphs, graphics, images, and case studies of successful projects to help the legislature and the public connect the data with real people, communities, and solutions. CARB pairs its annual report with a Story Map – a resource similar to Ecology's Story Map for improving air quality in overburdened communities initiative per RCW 70A.65.020 – to provide a narrative around the data and to present the data in another digestible format.

Finally, CARB offers a mid-year report to provide more frequent updates on investments and their impact. We encourage Ecology to provide similarly frequent updates on spending and impact, particularly as a new legislative session begins, to encourage continued transparency, accountability, and accessibility of information.

Include co-benefits of investments in Washington's annual report. In addition to tracking greenhouse gas emissions reductions, Ecology should track and include *co-benefits* of investments, particularly for air quality and health. A central aim of the CCA statute is to invest in overburdened communities and reduce health disparities in these communities, with an emphasis on improving air quality. Tracking the impact of investments on local air quality and the resulting benefits for/impacts to community health thus should be central to tracking the impact of the CCA and its investments. California, for example, measures pollutants reduction alongside greenhouse gas reduction via its greenhouse gas reduction calculator tool for funded programs, such as for its Clean Mobility Program.

In addition to air quality and health impacts, Ecology should consider tracking the co-benefits of jobs, economic opportunities, and cost savings. Again, California's reporting may offer helpful insight into methods for measuring these additional co-benefits.

Consider ways to streamline reporting and provide support to agencies. Monitoring and data reporting are key elements for tracking the efficacy and impact of new programs and highlighting where needs and opportunities exist. However, with additional data tracking can come additional capacity needs from agencies, grant applicants, and grantees. Ecology's guidance should consider ways to streamline reporting and utilize existing workflows where possible. For example, certain grant programs, such as the Department of Commerce's Electrification of Transportation Systems, already require applicants to identify their community's Environmental Health Disparities rank and a description of how the program meaningfully benefits overburdened communities. Consider how existing reporting requirements such as this might serve the dual purpose of tracking benefits of investments in overburdened communities. Additionally, Ecology should consider offering training and/or technical assistance to support agency staff with new GHG tracking and reporting requirements that result from the rule.

Q2. What additional information should be included about spending that benefits vulnerable populations in overburdened communities?

Ecology should work with the Environmental Justice Council to offer guidance to agencies on best practices for identifying overburdened communities and defining meaningful benefits. During the climate funds reporting public meeting held on August 10th, Ecology staff shared that each agency would have discretion to operationalize the definition of overburdened communities and determine whether a certain project brings meaningful benefits to those communities. While flexibility is important given the various types of programs that are funded through the CCA, this leaves room for some agencies to fall short. Ecology should work with the Environmental Justice Council and solicit feedback from highly impacted communities and other interested parties to determine best practices for identifying overburdened communities and offer guidance on defining meaningful benefits. This will help ensure that benefits are reaching intended communities and that the State meets requirements laid out in statute.

Ecology should track and include reductions in environmental health disparities in overburdened communities in the annual report, as well as the location of projects relative to overburdened communities. With a CCA account dedicated entirely to air quality and health disparities improvement, it is critical to track the impact of this account, as well as all other accounts, towards improving air quality and reducing health disparities among vulnerable populations. This ties in well with the aforementioned recommendation to track co-benefits of investments including pollution reduction and health impacts. As part of this assessment, Ecology should include location of projects relative to overburdened communities. The agency could consider visualizing investments in overburdened communities on a map that includes an overlay of Washington's environmental health disparities map, as well as an overlay of the communities identified as part of RCW 70A.65.020, to visually demonstrate which communities are being reached and where there are gaps.

Q3. What additional information should be included about spending that is formally supported by a Tribal resolution?

We defer to Tribes on additional information that should be included about spending formally supported by a Tribal resolution.

Q4. How should ECY determine which projects are required to report their GHG emissions reductions?

Ecology should track emissions reductions associated with all projects, including those that provide both direct and indirect greenhouse gas emissions reductions. As highlighted in stakeholder meetings, Ecology's current plan is to track investments for projects that provide direct emissions reductions, such as programs to decarbonize transportation and electrify homes and buildings, and indirect emissions reductions, such as conservation projects and other mitigation and resilience measures. We support this approach to tracking GHG emissions reductions that result from investments. For projects that may not result in quantifiable emissions reductions, such as agency staffing, coordination and studies such as those earmarked for clean energy siting, and workforce development, Ecology should require an explanation of other project benefits that align with the intent of the law and/or are in line with co-benefits listed above.

Using this data, Ecology should provide a breakdown of how funding was spent between direct emissions reduction investments, indirect emissions reduction investments, and administrative and/or other investments to provide insights into distribution of funding.

Q5. What should Ecology consider when determining how to evaluate GHG emissions reductions from projects?

Climate Solutions supports using CARB's methods and calculator tools as a baseline for evaluating GHG emissions reductions from projects. As noted throughout this comment letter, we support the use of CARB's methods and calculator tools as a useful starting point for tracking and reporting GHG emissions reductions and other co-benefits from projects. CARB's approach appears especially effective given that the agency provides a template specific to every single program to calculate emissions reductions – an approach that allows for granularity while also easing administrative burden on agencies. As Ecology develops these tools, we recommend working closely with agencies, stakeholders, and experts to ensure that inputs and calculations are accurate for each project type.

It is worth highlighting that CARB utilizes a predictive model at the *outset* of a project to calculate GHG and other co-benefit impacts. If using a predictive model, Ecology should consider ways to enable agencies and project leads to make adjustments at the end of project implementation to ensure accuracy.

Q6. Anything else to share?

Ecology should work closely with the Office of Financial Management to utilize this fund data for developing a centralized hub of information to ensure this data is transparent, accessible, and digestible. As part of this rulemaking, it is important to consider ways to make the report information not only easily accessible, but easily digestible for both lawmakers and the public. We recommend centralizing this information onto an online portal that offers visual aids, such as maps and graphs, to highlight investments, their impact on greenhouse gas (GHG) reductions, and which communities they benefit and how. CARB's climate investments website, for example, includes a map of all investments funded through its cap-and-invest program as well as a data dashboard for a high-level summary of investments and their impact. This map includes a layer for priority populations, which are those populations that meet California's law's definition of "disadvantaged communities" and low-income communities.

Quebec's data dashboard, which tracks investments stemming from their cap-and-invest system's funds, offers another useful example. This resource aggregates spending and greenhouse gas reductions and compares them to Quebec's GHG reduction targets. It is worth noting that Quebec does not have specific requirements around spending in overburdened communities or in alignment with Tribal priorities, but a similar resource in Washington would also need to highlight investments in these communities.

At minimum, OFM's resource should share critical elements of Ecology's annual report onto an easily accessible web page that highlights the amount of spending on projects, the geographies in which those investments have been made and the benefits to overburdened communities, GHG reductions as they compare to Washington's targets in statute, and air quality co-benefits.

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We look forward to continuing to work with Ecology on this rulemaking and future rulemakings to support effective and equitable implementation of the Climate Commitment Act. Thank you again for the opportunity to provide input.

Sincerely,

Altinay Karasapan
Washington Regulatory Policy Manager
Climate Solutions