



BLUEGREEN ALLIANCE

WASHINGTON STATE

December 15, 2020

Fran Sant
Rulemaking Lead, GAP Rule
Washington State Department of Ecology

Dear Fran,

On behalf of the Washington BlueGreen Alliance, thank you for the opportunity to provide input to the Washington State Department of Ecology's Greenhouse Gas Assessment for Projects (GAP) rulemaking.

As a coalition of environmental groups and labor unions that work to address Washington's environmental challenges in a way that simultaneously creates widely shared prosperity, the Washington BlueGreen Alliance is committed to maintaining and expanding the state's clean manufacturing base. Expanding clean manufacturing in Washington can lower global emissions by displacing more carbon-intensive production in other states and countries. It will also support a new generation of high-road manufacturing jobs.

The Department of Commerce articulates a similar vision of Washington as a leader in low-carbon manufacturing in the updated 2021 State Energy Strategy. Realizing that vision requires Washington policymakers and regulators be intentional in ensuring that all greenhouse gas and other environmental policies facilitate an expansion in low-carbon manufacturing.

Like most U.S. states, Washington's climate limits are based on the state's territorial emissions—what is emitted within Washington's state lines. As a result, there is a high risk that strict emissions reduction requirements that focus on gross emissions will increase production in locations out of state and offshore with less stringent environmental protections and emissions controls.¹

¹ Washington has been especially hard hit by trade-related job loss—and it is accelerating. Recent analysis from the Washington Fair Trade Coalition Education Fund shows that trade-related job loss increased 133% from 2017-2019 relative to 2014-2016. See Washington Fair Trade Coalition Education Fund. 2020. *Washington's Trade-Related Job Losses on the Rise in Recent Years*. Available online at https://tradejusticefund.org/files.wordpress.com/2020/08/washingtonjoblossreport_080720.pdf.

Washington manufacturers produce some of the world's lowest carbon materials, including steel and aluminum. These are energy intensive and trade exposed businesses that are highly vulnerable to out of state and foreign competition. Given Washington's focus on territorial emissions, a reduction in in-state production could appear to reduce the state's carbon footprint. However, global emissions rise when consumers purchase the same goods now manufactured with more carbon intense processes. Researchers estimate that nearly 25 percent of the world's emissions pass through this "carbon loophole".²

The Department of Ecology can mitigate the risk of such unintended consequences with the GAP rule by focusing on net emissions and carbon intensity when evaluating the greenhouse gas impacts of a proposed project. In addition, the Department of Ecology should acknowledge and actively seek to mitigate the risk of leakage of pollution and jobs to other states and countries.

It is further worth noting that Washington clearly established its intent in HB 2311 to pursue its climate limits in a way that maintains Washington's manufacturing base and prevent the leakage of emissions and jobs. The Department of Ecology should honor this commitment in the GAP rule.

Please do not hesitate to be in touch if I can answer any questions or provide additional information. I can be reached at jkoski@bluegreenalliance.org.

Sincerely,



Jessica Koski

Washington State Policy Coordinator, BlueGreen Alliance

² Moran, Daniel, Ali Hasanbeigi, and Cecilia Springer. 2018. *The Carbon Loophole in Climate Policy: Quantifying the Embodied Carbon in Trade Products*. Available online at <https://buyclean.org/media/2016/12/The-Carbon-Loophole-in-Climate-Policy-Final.pdf>.