

September 2, 2025

RE: Department of Ecology's draft materials related to the agency's upcoming "Report to Legislature on EITE allocation for 2023-2050.

Dear Mr. Young and the Department of Ecology:

On behalf of the Washington BlueGreen Alliance, thank you for the opportunity to comment on the Department of Ecology's draft materials related to the agency's upcoming "Report to Legislature on EITE allocation for 2023-2050".

As a coalition of environmental groups and labor unions that collaborate to address climate change in ways that simultaneously build a fair and just economy, the Washington BlueGreen Alliance appreciates Ecology's consideration of "complementary measures supporting decarbonization of industry" in Document 6. Preserving the competitiveness of Washington's existing manufacturing base while meeting the state's statutory commitment to a net-zero economy by 2050 requires a proactive and holistic approach.

The Washington BlueGreen Alliance would like to provide feedback on two of Ecology's proposed complementary measures: 1) "Expedite electrical grid enhancements for industrial electrification" and 2) "Leverage state procurement to encourage low carbon manufacturing".

First, the Washington BlueGreen Alliance appreciates Ecology highlighting that lack of access to affordable clean electricity is a major barrier to a thriving, low-carbon industrial sector. Our coalition encountered this difficult reality in 2022 when efforts to retrofit and reopen the Intalco Aluminum Smelter in Ferndale, WA—which would have saved hundreds of union jobs and provided a stable supply of green aluminum—failed because prospective

buyers could not procure 400 MW of competitively priced renewable energy. RMI's recent assessment revealed that access to electricity is also a major barrier for decarbonizing Washington's existing industrial sector. 2

However, "[e]expedite electrical grid enhancements" does more to spotlight the challenge than offer solutions; it is high-level and not easily actionable. WA BGA strongly urges Ecology to be much more granular in its recommendations on "grid enhancements". This will enable the Washington State Legislature to move more swiftly and decisively to get our state's manufacturers access to the clean, reliable, and affordable electricity they need. More specifically, our coalition recommends including:

- 1. Create a state transmission authority to facilitate investment in and development of the most efficient, lowest cost transmission solutions for industrial decarbonization. Proposed by Senator Shewmake and Representative Ramel during the 2025 legislative session (SB 5466 and HB 1673, respectively) and likely to be reconsidered in 2026, a state transmission authority would bring multiple stakeholders, including utilities, regulators, and impacted communities, to develop the long-term, lowest cost transmission solutions necessary for Washington to meet its climate and economic development goals. Unlike most incumbent Northwest transmission providers, namely the Bonneville Power Administration and investor-owned utilities, a state transmission authority looks across multiple networks of individual transmission operators with the goal of promoting Washington's overall transmission adequacy and meeting the most pressing, unmet transmission needs of Washington residents and businesses. A state transmission authority could also help navigate complicated, multijurisdictional siting and permitting processes and provide low-cost financing where transmission developers are unwilling or unable to invest on their own.
- 2. Provide a categorical exemption for upgrading or rebuilding existing high-capacity transmission lines from the State Environmental Policy Act to expedite reconductoring projects and maximize Washington's existing grid capacity. SB 5466 and HB 1673 also provided a narrow categorical exemption for upgrading or rebuilding existing high-capacity transmission lines from the State Environmental Policy Act, which would dramatically expedite reconductoring projects. Reconductoring is the process of replacing the old wires (known as "conductors") on the existing high-voltage

¹ John Stang, "Negotiations to Resurrect Ferndale Aluminum Plant Fall Apart," *Cascade PBS*, December 28, 2022, https://www.cascadepbs.org/environment/2022/12/negotiations-resurrect-ferndale-aluminum-plant-fall-apart/.

² Valeriya Azarova et al., *Opportunities for Industrial Modernization in Washington: Technical Pathways, Investments, Policy, and Decarbonizing Options for Emissions-Intensive, Trade-Exposed Industries* (Rocky Mountain Institute, 2025), https://rmi.org/insight/opportunities-for-industrial-modernization-in-washington/.

transmission lines with newer, advanced conductors. Reconducting can more than double a line's capacity, typically costs less than half the price of a greenfield line, and requires as little as 18 to 36 months to implement.³ It is important to develop a process to ensure that categorically exempt projects avoid, minimize, or mitigate harm to traditional cultural properties and resources.

Second, having worked for over five years to pass the <u>Buy Clean and Buy Fair Washington</u> Act, our coalition is thrilled that Ecology recognized the importance of "[l]everag[ing] state procurement to encourage low carbon manufacturing" in its draft recommendations and strongly encourage its inclusion in the final report.

Washington, like most states, has focused its climate policy heavily on its territorial or production-based emissions. Focusing exclusively on territorial emissions can promote a race to the bottom in labor and environmental standards that displaces pollution onto vulnerable communities outside of Washington instead of reducing it (i.e., carbon leakage). In contrast, consumption-based or procurement policies like Buy Clean and Buy Fair hold all manufacturers to the same high standard, regardless of where a product is made. This reduces the unfair competition that drives leakage and incentivizes investments in industrial decarbonization.

The Buy Clean and Buy Fair Washington Act was an important first step. The policy creates transparency around building materials purchased for large state building projects and increases industry reporting capacity. The Department of Commerce is currently convening a Technical Work Group to guide its implementation and grow a robust in-state supply of low-carbon materials. The Washington BlueGreen Alliance is excited to continue collaborating with legislators, state agencies, and stakeholders to leverage further Washington's existing state spending to promote the competitiveness of low-carbon manufacturing and make our state a leader in clean manufacturing.

Ecology did not include "Buy Fair" or procurement based on high-road labor standards in its recommendations, which is one of the most exciting aspects of Washington's policy, which is a major gap. Leveraging procurement to promote high-job quality in manufacturing is critical to protecting the long-term competitiveness of Washington's manufacturers. Washington's skilled workforce is one of the state's well-documented competitive advantages in manufacturing. ⁴ Maintaining this competitive advantage requires continuing

³ Emily Moore, "The Northwest's Electric Grid Deserves an Upgrade," *Sightline Institute*, September 11, 2024, https://sightline.org/2024/09/11/the-northwests-electric-grid-deserves-an-upgrade/.

⁴ Richard Aboulafia et al., *Aerospace Competitive Economics Study 2022* (AeroDynamic Advisory, 2022), https://choosewashingtonstate.com/wp-content/uploads/2023/02/Aerospace-Competitive-Economics-Study-2022.pdf.

to attract workers to manufacturing careers, which is hugely impacted by the quality of those careers.

Thank you again for the opportunity to provide feedback and please do not hesitate to be in touch if we can provide any further information or answer questions about our comments. I can be reached at jkoski@bluegreenalliance.org.

Sincerely,

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Washington Policy Manager

BlueGreen Alliance