

## **IETA Comment on ECY Linkage Agreement**

31 March 2025

The <u>International Emissions Trading Association</u> (IETA) welcomes this opportunity to provide guidance as requested by Washington's Department of Ecology (ECY) on its **Cap and Invest Linkage Agreement Consultation**. In general, IETA supports an approach that is aligned with the original WCI linkage agreement, which has proven effective for both California and Quebec.

Specifically, California and Quebec, through the WCI framework, have demonstrated that interconnected carbon markets can effectively lower emissions in a cost-efficient way with aligned regulations, coordinated personnel, and clear public communication. IETA fully supports and encourages Washington to model its WCI linkage agreement on this successful approach. Additionally, we support the ongoing discussions at both the staff and management levels between Washington, California, and Quebec, particularly in light of the ongoing program reviews in both California and Quebec. Given that linkage may occur before the finalization of Quebec and California's program review, ECY needs to be comfortable amending the program on an "as-needed basis" and should not be averse to program changes when warranted. Notably, program changes must be transparent, clearly defined and broadly communicated well in advance of implementation to avoid perverse market impacts. Any necessary program changes to facilitate linkage must be clearly communicated with adequate opportunities for stakeholder review and feedback to ensure entities can best adjust and manage compliance or market positions under the amended program.

Once again, IETA appreciates this opportunity to provide feedback. Our community continues to dedicate significant effort to best leverage IETA's deep global and domestic carbon market expertise to provide ECY with constructive, solutions-oriented thinking. We aim to inform a pragmatic linkage pathway to support robust program development that drive both climate outcomes and broad socio-economic benefits.

If you have questions or require further information, please contact Joey Hoekstra at <a href="hoekstra@ieta.org">hoekstra@ieta.org</a>.

