



Re: Front and Centered's Comments on Ecology's Draft Agreement to Link Washington's Carbon Market with California and Québec and Related Draft Assessments

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Dear Ms. Potts:

Thank you for the opportunity to provide comments on the draft agreement to link Washington's cap-and-invest program under the Climate Commitment Act (CCA) with the California-Québec carbon market, as well as the associated Cap-and-Invest Linkage Criteria: Draft Findings, and draft Environmental Justice Assessment.

Front and Centered is a climate justice coalition led by and serving communities of color across Washington. We advocate for frontline communities that are first and worst impacted by environmental harms and the climate crisis. We have consistently raised concerns about linkage, and that position has not changed. The CCA allows covered entities to comply through the purchase of allowances rather than requiring emissions reductions at the source. Expanding this system through linkage increases the likelihood that emissions reductions occur elsewhere while pollution—including harmful co-pollutants—continues in frontline¹ communities.

In prior comments, we noted that linkage would reduce incentives to cut emissions, allow pollution hotspots to persist, and reduce funding available for frontline communities. The materials released to date do not resolve these concerns. The agreement focuses on market coordination and the supporting documents do not demonstrate how statutory requirements—including the reduction of environmental health disparities and the delivery of meaningful benefits to frontline communities—will be met in practice. Instead, these critical issues are deferred to implementation.

While our previous position remains, the release of the draft agreement, Cap-and-Invest Linkage Criteria: Draft Findings, and draft Environmental Justice Assessment requires engagement to ensure that, if linkage proceeds, it does not further harm frontline communities. For these reasons, we offer the following comments to clarify what must be addressed if linkage is pursued.

¹ At Front and Centered, we favor "frontline communities" as a descriptor for communities of color, Indigenous peoples, and people with lower incomes who are hit first and worst by environmental damage and climate change. However, terms like Overburdened Communities and Vulnerable Populations are used in the law and therefore affect how policies impact our communities.

1. The current analysis does not show how statutory obligations will be met

The draft agreement focuses on market coordination, but does not address how linkage will impact communities. The Criteria Findings and Environmental Justice Assessment do not clearly show how Ecology will meet its obligations under the CCA and the HEAL Act, particularly with respect to reducing environmental health disparities.

Key questions remain unanswered:

- What are the localized and distributional impacts of linkage?
- How will linkage affect localized pollution and existing hotspots?
- How will Ecology ensure that frontline communities do not experience increased harm?
- How will benefits be measured and verified, not just assumed?

Without clear, evidence-based answers, Ecology has not provided a sufficient basis for moving forward with linkage.

2. The draft Environmental Justice Assessment is not sufficient

Under the HEAL Act, Ecology must evaluate how agency actions impact Overburdened Communities and Vulnerable Populations. For a decision of this scale, that analysis must be rigorous, transparent, and directly inform the outcome.

The current Environmental Justice Assessment does not adequately:

- Analyze localized air quality impacts or co-pollutants
- Address how costs and benefits will be distributed across communities
- Show how its findings are informing the Criteria Findings or decision-making

An Environmental Justice Assessment should function as a tool to prevent harm. As written, it does not yet meet that purpose.

3. Linkage risks worsening pollution hotspots

A market-based system allows facilities to continue emitting by purchasing allowances. Linkage expands that system and increases the likelihood that emissions reductions occur outside Washington while pollution remains concentrated locally. Evidence from California's program shows that pollution burdens have remained concentrated in frontline communities, and in some cases worsened, even as the market operates.² Linkage risks replicating these outcomes in Washington.

Statewide emissions reductions are not sufficient if frontline communities continue to experience high levels of pollution.

² Jonah Valdez, *Is California's Cap-and-Trade Program Hurting the Environment More Than Helping It?*, Los Angeles Times (March 22, 2022), <https://www.latimes.com/california/story/2022-03-22/what-has-california-cap-and-trade-accomplished>.

Ecology should:

- Reevaluate establishing facility-level or site-specific limits where needed with priority given to reducing environmental health disparities
- Implement robust monitoring and reduction requirements for criteria air pollutants in frontline communities
- Define and operationalize a clear process to identify, track, and mitigate pollution hotspots

4. Linkage may reduce funding for overburdened communities

As previously raised, linkage is expected to put downward pressure on allowance prices. While this may reduce costs for emitters, it also reduces revenue generated through the program. This directly affects funding for investments required under the CCA, including the statutory requirement that at least 35% of funds provide direct and meaningful benefits to Overburdened Communities.³

Reduced revenue means fewer resources for the very communities the program is intended to support.

5. “Direct and meaningful benefits” must be clearly defined and enforced

The CCA requires that investments provide direct and meaningful benefits to Overburdened Communities. This requirement must be measurable and enforceable.

Ecology must:

- Establish a clear, enforceable definition of “direct and meaningful benefits”
- Require agencies to document how projects meet this standard
- Ensure consistency across agencies so that benefits are verifiable, not self-determined

Without clear standards, there is no meaningful accountability.

6. Transparency and community oversight are essential

A linked market increases complexity and makes it harder to track where emissions reductions occur. Transparency is critical to maintaining accountability.

Ecology must:

- Require public, facility-level reporting of emissions, allowance use, and allowance origin
- Track the geographic distribution of emissions reductions
- Provide accessible, regular reporting to the public and the Environmental Justice Council

³ RCW 70A.65.230

Without transparent, disaggregated data, neither the public nor the Environmental Justice Council can meaningfully assess compliance. Community oversight is essential to accountability and cannot be treated as procedural.

7. Maintain Washington's environmental justice standards in a linked market

Washington's environmental justice requirements are stronger than those of other jurisdictions. Linkage must not be used to dilute these standards.

Ecology must:

- Affirm that Washington statutory requirements continue to apply in full under linkage
- Prevent any mechanisms that would allow weaker out-of-state allowances to undermine Washington's program integrity
- Clearly articulate how Washington will uphold its HEAL Act obligations within a multi-jurisdictional system

Compliance with a linked market does not supersede compliance with Washington law.

8. Linkage is being evaluated before key air quality protections are finalized

Ecology is currently developing rulemaking to address Air Quality in Overburdened Communities (173-448 WAC), including requirements intended to reduce localized pollution and address hotspots. However, linkage is being evaluated before those protections are finalized. Without a completed rule, it is not possible to fully assess how linkage will impact local air quality or whether sufficient safeguards will be in place.

Ecology should finalize and implement this rulemaking before proceeding with linkage to ensure that any expansion of the market does not outpace or undermine core environmental justice protections.

Linkage does not resolve the underlying concerns with the cap-and-trade system and risks exacerbating them. The draft agreement and supporting materials do not yet show how Ecology will meet its obligations to frontline communities. As written, they establish a market framework without ensuring that environmental justice requirements will be achieved.

Our position remains that linkage is not appropriate. However, if the State continues to pursue it, it must address the gaps identified above to avoid further harm to frontline communities and to meet the requirements of Washington law.

Respectfully,



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