

Stephen Hall

The proposed linkage with the California–Québec carbon market raises serious concerns about market fairness and transparency. In a large linked market, excess allowances created when major emitters reduce operations or leave Washington can be absorbed by the broader system, preventing prices from falling naturally. This risks insulating the program from normal market signals and may effectively maintain higher carbon prices despite reduced in-state emissions. Proponents argue linkage protects the program from leakage and promotes market stability. However, it may instead sustain pricing levels and revenues rather than reflect Washington's actual emissions conditions. Policymakers should ensure carbon markets respond transparently to real economic and emissions changes.