Comments of the Western Power Trading Forum
to the Washington Department of Ecology
on the Request for Information on
Engineered Carbon Management under the Climate Commitment Act

Feedback Area 1: Carbon management within the Cap-and-Invest Program

1) Which engineered carbon management pathways do you think present the greatest opportunity for Cap-and-Invest Program compliance? For example, point source carbon capture and storage, carbon capture and utilization, and technological carbon dioxide removal. Why?

   The Western Power Trading Forum (WPTF) is a diverse organization comprising power marketers, generators, investment banks, electric utilities and energy service providers, whose common interest is the development of competitive electricity markets in the West. Many of our members are electricity importers, utilities and independent power producers subject to the Climate Commitment Act (CCA) as first jurisdictional deliverers. WPTF offers no comment on the technical or cost feasibility of the carbon management pathways but is interested in opportunities for using carbon capture and storage, including technological carbon dioxide removal, to reduce compliance obligations under the program (Pathway 1). We urge Ecology to ensure that all covered sectors are able to use carbon management to reduce emissions.

   Additionally, WPTF encourages Ecology to explore options that provide flexibility for different business models under Pathway 1, e.g. a compliance entity captures carbon at a facility and develops and manages its own carbon sequestration project(s), a compliance entity captures carbon at a facility and contracts with another entity for sequestration; and a market instrument that enable compliance entities to invest separately in carbon removals and sequestration, without having to capture its own emissions. This latter model would be similar to that used in California for Low Carbon Fuel Standard.

2) What additional clarity is required for effective deployment of engineered carbon management for Cap-and-Invest Program compliance? What is the most important? What is the most pressing?

   WPTF encourages Ecology to work on rules for how carbon management may be used to reduce emissions for covered entities under the CCA at the same time it develops technical protocols for the different pathways. Providing an early signal of how covered sectors can reduce compliance obligations through carbon management will be important for long-term investment in these technologies.

Feedback Area 2: Carbon management in Washington

3) Do engineered carbon management pathways present a feasible decarbonization

strategy for companies/facilities in Washington? For example, point source carbon capture and storage, carbon capture and utilization, and technological carbon dioxide removal. Why? Why not?

What are the greatest obstacles to implementing engineered carbon management in Washington and how can the state remove those barriers?

The high up-front capital costs for engineered carbon management and the nascency of these technologies are a clear barrier to deployment. WPTF encourages Ecology to explore opportunities to use the CCA itself to provide initial financial support to mitigate risk for the capital-intensive early stages of projects. Determining whether a particular geological formation is suitable for sequestration requires multiple steps including land acquisition, site characterization, reservoir modeling, drilling of a test well, and applying for a Class VI permit. Simultaneously, front-end engineering design studies are required to better understand costs of capture facilities. Financial support for these upfront activities may be crucial to moving projects forward.

Feedback Area 3: Implementation of the CCA Program Rule

Models and frameworks for CCA Program Rule implementation

4) How can and should elements such as monitoring and verification procedures and risk mitigation, compensation, financial assurance, and reversal provisions be factored into Ecology's implementation of the CCA program rule?

The risk of reversals should be borne by the sequestration project owner (similar to how this is handled for natural removals). These entities can pass costs off to entities who contract for sequestration/purchase credits.

Ecology must also ensure consistency in the treatment of carbon management for both instate and imported electricity, and under the Clean Energy Transportation Act.

5) How might federal Class VI well or other applicable state or federal standards be leveraged?

WPTF urges Ecology to leverage federal rules for both pathway 1 and 2 to the maximum extent possible, to minimize administrative burdens and costs. Ecology should also harmonize its protocols and rules with those of California.

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