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RE: Comments on Carbon Capture, Removal, Utilization, and Storage in the Cap-and-Invest Program

Clean & Prosperous Comment

Clean & Prosperous (C&P) strongly supports Washington's efforts towards deep decarbonization and the opportunities that transition provides for our economy, jobs, and communities exposed to pollution and extreme weather events. Carbon capture, removal, utilization, and storage are necessary to achieve global climate goals according to the [IPCC AR6 Working Group III Report](#). Many of these technologies are in the early stages of development, but scaling them quickly is an issue of global importance, and an opportunity Washington should embrace.

Carbon Management Within the Cap-and-Invest Program

Clean & Prosperous broadly supports engineered carbon management pathways that follow strict protocols set by reputable registries like the Climate Action Reserve and American Carbon Registry. We are still in the early stages of carbon management, and should therefore take an all-of-the-above approach to see which pathways emerge as the most viable at scale.

Offsets have been the primary avenue for the carbon management role in the CCA thus far, and they have rightfully been limited to 5-8% of compliance obligations due in part to well-documented [integrity concerns in the past](#). C&P supports these provisions, as well as the 1:1 displacement of allowances for each offset utilized by a compliance entity to keep offsets "under the cap". These provisions provide necessary integrity for the carbon market's cap, while also allowing for the development of many promising climate mitigation strategies.

However, since the initial rulemaking of the CCA, there have emerged other mechanisms that might complicate the current understanding of avoided emissions offsets in the CCA which Ecology might benefit from addressing. For example, carbon removal credits have higher integrity and indicate a verifiable, measurable drawdown of carbon from the atmosphere. These are currently more expensive than avoided emissions offsets, but once scaled, they are more likely to bring about the kind of carbon management required to mitigate the worst effects of climate change. These are the compliance mechanisms that Ecology should prioritize as they mature alongside the agency's development of carbon management protocols under the CCA.

The development of new carbon management strategies would effectively expand the supply of compliance instruments for compliance entities in Washington state, either by reducing covered emissions through the sequestration exemption or by creating new sources of offsets. Even under the cap, this has the potential to significantly impact allowances prices in the carbon market, depending on how fast engineered carbon management compliance pathways can scale. If engineered carbon management scales quickly, more entities might opt for those compliance pathways over allowances at auction, lowering demand and therefore price of allowances, and reducing the revenue the state receives from the CCA.

Ecology has previously recognized price stability in the CCA carbon market as a primary design consideration, both in its [initial cap-and-invest rulemaking](#) by making a substantial allocation to the Allowance Price Containment Reserve, and in its establishment of the [Emissions Containment Reserve](#) as a price floor mechanism. Given the importance of price stability, Ecology should conduct economic modeling that explores the potential impact of various carbon management uptake scenarios on allowance prices.

Barriers to Carbon Management in Washington

Because the carbon management industry is still in its early stages compared to where the IPCC says it must grow to, the greatest obstacle is funding. The state can help remove this barrier by funding a carbon management scaling grant to allow local companies to test their carbon capture, removal, storage, and utilization technologies with the aim that some are eventually able to deploy their

technologies worldwide to mitigate climate change beyond simply reducing existing emissions.

Implementation of the CCA Program Rule

The integrity of carbon management compliance instruments is foundational to the integrity of the cap-and-invest program as a whole. Monitoring, verification, financial assurance, and reversal provisions are not merely technical implementation details. They determine whether carbon management instruments represent genuinely positive climate outcomes or mere accounting artifacts. Weak standards in any of these areas would undermine the environmental credibility of the CCA and erode trust in Washington's carbon market.

Ecology should leverage existing frameworks from established, reputable registries such as the Climate Action Reserve and American Carbon Registry, as well as emerging federal standards where applicable. These registries have developed rigorous protocols through years of stakeholder engagement and real-world project experience. Adopting and adapting their approaches would accelerate implementation, reduce regulatory uncertainty for project developers, and ensure Washington's standards are defensible against outside scrutiny. As carbon management protocols evolve, Ecology should commit to periodic review of these standards to ensure they keep pace with both scientific advances and emerging climate risks.

Engagement with Tribal Partners

Tribes in Washington can be some of our most valuable carbon management partners, as they are often involved in carbon management on tribal lands, specifically in the forestry sector. Washington's government-to-government relationship with tribes, and Ecology's existing tribal engagement obligations under the CCA, provide a strong foundation for this partnership. CCA funding for tribal efforts in these spaces already exists in the form of a Tribal Carbon Offset Assistance Grant. This grant program has demonstrated an effective track record of deploying funds to tribal recipients, and Ecology should request the legislature retain funding for the program.

Conclusion

The window for scaling engineered carbon management is narrow, and the decisions Ecology makes now about protocols, eligibility, and program design will shape whether Washington emerges as a leader in this space or cedes that ground to other jurisdictions. Clean & Prosperous urges Ecology to move decisively to establish clear compliance pathways for engineered carbon management, prioritize high-integrity removal credits, and build the economic modeling capacity needed to manage market impacts. We look forward to continued engagement as Ecology develops its carbon management priorities and welcome the opportunity to provide additional input as this process advances.