June 23, 2026

Attn: Cap-and-Invest Carbon Management Team
Washington State Department of Ecology

RE: Public Comments for Washington State Ecology's Cap-and-Invest Carbon Capture, Removal, Utilization and Storage Rulemaking

Avista Corporation, doing business as Avista Utilities (Avista), respectfully submits the following comments in response to the Washington Department of Ecology's (Ecology) Cap-and-Invest rulemaking addressing carbon capture, removal, utilization, and storage. Avista recognizes both the importance and significant environmental impact of investing in carbon management infrastructure. As climate policy evolves, we urge Ecology to continue these important conversations with applicable entities to understand the feasibility of these programs, with each industry.

Definitions

To improve clarity and support consistent implementation of a carbon management facet to Ecology's Cap-and-Invest suite of regulations, Avista recommends that Ecology explicitly define the terms "above-ground mineralization" and "below-ground mineralization." While mineralization encompasses a broad range of potential approaches, greater specificity would assist in evaluating whether a given project meets the requirements of the program. Although many mineralization pathways may overlap with concepts of storage and injection, clearly distinguishing between mineralization types would facilitate more consistent and transparent project determinations.

CETA and CCA

While the Climate Commitment Act (CCA) establishes specific requirements for achieving Washington's climate objectives, the Clean Energy Transformation Act (CETA) has served—and continues to serve—as the primary driver of Washington's clean energy and emissions reductions objectives in the electric energy sector. Accordingly, it is essential that implementation of the CCA complements and aligns with overarching policy direction established under CETA.

Avista encourages Ecology to consider related and existing policies when conducting new rulemakings, including those related to carbon management, in a manner that ensures seamless integration with both CETA and the CCA. Alignment is particularly important given the increasing cost burden associated with compliance under both frameworks. To support efficient and cost-effective implementation, regulatory provisions should clearly allow activities undertaken pursuant to these rules, to count toward CETA compliance where appropriate. We urge Ecology to work closely and coordinate with other regulatory agencies including Washington Utility Commission and Washington Department of Commerce. Coordinated efforts would help ensure fair and consistent treatment of carbon management under both the CCA and CETA. Maintaining consistency between these two foundational statutes is critical to avoiding conflicting requirements and preserving their intended policy outcomes. Any new rulemaking should build upon and enhance the existing frameworks, improving the overall effectiveness of the Cap-and-Invest Program while supporting a coordinated pathway to meet the state's clean energy goals.

Existing Language for Future Rulemaking

WAC 173-407-110 currently defines "permanent sequestration" as "the retention of greenhouse gases in a containment system using a method that is in accordance with standards approved by Ecology and that creates a high degree of confidence that at least ninety-nine percent of the greenhouse gases will remain contained for a minimum of one thousand years." By comparison, the California Air Resources Board's (CARB) Carbon Capture and Sequestration Protocol establishes a performance-based standard, under which permanence is demonstrated if a project can show that at least 99 percent of injected CO_2 is retained over a 100-year period following injection.

In light of evolving carbon management technologies and the established regulatory framework in California—particularly given the potential for program linkage—Avista recommends that Ecology revisit its current approach and adopt a 100-year permanence standard in place of the 1,000-year requirement. Aligning with a 100-year timeframe would better reflect prevailing regulatory practice, support broader project viability, and facilitate consistency across jurisdictions while continuing to ensure durable and verifiable emissions reductions.

Offsets and Emissions Reductions

Overall, Avista encourages Ecology to prioritize and expand the availability of both an emissions exemption pathway, and overall emissions reduction that enables broader participation across entity types. Establishing a clear and accessible exemption mechanism would reduce administrative and financial barriers, allowing a wider range of participants to engage in the program in a meaningful and cost-effective manner. Importantly, an exemption pathway reflects a direct, project-based compliance decision made by the participating entity, rather than reliance on the secondary market for allowance or credit purchases. This approach promotes investment in on-site or operational emissions reductions, increases transparency, and strengthens the linkage between regulated activities and demonstrated emissions outcomes.

By contrast, a heavy reliance on credit procurement may introduce cost volatility and restrict participation to entities with sufficient market access or financial capacity. Expanding the emissions exemption pathway would promote a more equitable and efficient program while encouraging innovation and earlier adoption of emissions reduction technologies.

For these reasons, Ecology should consider structuring the program to elevate the role of emissions exemptions as a complementary compliance option—one that enhances flexibility, reduces overall costs, and broadens participation—while preserving the integrity of emissions reduction requirements. In comparison, existing offset protocols and associated projects remain limited in both scope and availability. Their relatively high costs and constrained benefits can discourage participation, particularly given the lack of sufficient regional project opportunities.

As demonstrated in the legislative report, alternative approaches offer greater variety, broader applicability, and fewer limitations, making them more accessible and practical for interested entities. Avista strongly encourages Ecology to further evaluate these alternatives in the context of both participant needs and the current availability of qualifying projects.

Avista appreciates the opportunity to participate in this section of the Cap-and-Invest rulemaking process. We pride our business on the ability to serve customers with reliable and affordable energy while constantly evaluating new opportunities for our resource mix. These discussions are also essential in supporting clear, consistent implementation of the state's regulatory framework. If Ecology staff would like to discuss these comments further or request additional information, please contact Janna Dubnicka at Janna.Dubnicka@avistacorp.com.

Sincerely,

/s/ *Janna Dubnicka*

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