



July 24, 2026

Adrian Young
Cap-and-Invest Industrial Policy Lead
Department of Ecology

RE: Department of Ecology's Report and Recommendations to the Washington Legislature on EITE allowance allocation for 2035-2050

Dear Mr. Young,

The University of Washington's Life Cycle Lab appreciates the opportunity to provide input on the Department of Ecology's recommendations on the allocation of no-cost allowances to emissions-intensive, trade exposed manufacturers (EITEs). The Life Cycle Lab at UW's College of Built Environments leads research to advance life cycle assessment (LCA) data, methods, and approaches to enable optimization of materials, buildings, and infrastructure. Our work is structured to inform impactful policies and practices that support global decarbonization efforts.

Our comments primarily address **Focus Area #4** - *Additional state policies or strategies to support the reduction of emissions and decarbonization of EITE*. Section 5 of the January 2026 legislative report lists a "carbon border adjustment mechanism" as the only major alternative policy used to mitigate leakage risk in carbon pricing programs¹. We believe that Clean Product Standards have been overlooked as a policy mechanism to mitigate leakage and deserve further study in the next report.

A Washington Clean Product Standard would function much like the successful Clean Fuels Program operating in Washington over the last few years. The Clean Fuel Standard has exceeded its initial carbon reduction goals, cut millions of tons of greenhouse gases, and generated substantial funding for clean transportation. This policy model deserves more attention as a potential complement to Cap and Invest for EITEs.

The Clean Fuels program works by setting an annual "carbon intensity" requirement for transportation fuels that declines over time. Carbon intensity is defined by the total greenhouse gases emitted during the entire lifecycle of the fuel: from production to transport and use. Fuels with a carbon intensity lower than the standard generate credits, while fuels with a carbon intensity above the standard

¹ <https://apps.ecology.wa.gov/publications/documents/2514113.pdf>

generate deficits. Fuel producers with deficits must then purchase credits to zero out their deficits, creating a revenue stream for low-carbon fuel producers to reinvest in their operations.²

We believe a similar program for EITE products deserves further study. The potential benefits of a clean product standard for EITE products include:

- **Regulation of products.** Regulating at the product level for anything consumed in Washington sets a level playing field for producers and importers - helping to prevent leakage risk
- **Life Cycle Approach.** Taking a full lifecycle approach allows a fair comparison across products when all upstream processes are included and provides a more comprehensive menu of GHG reduction options for manufacturers to implement.
- **Performance-based.** This standard would set a GHG intensity target and not specify the pathways for achieving the target - creating a technology-neutral market-based program.
- **Legally tested via Clean Fuel Standards.** CFSs have faced and survived legal challenges and have proven effective at the state level. While a more regional or national product standard is desirable, WA could set the stage for that model through state policy.
- **Funds innovation and investment.** Helps fund innovation and investment in lower carbon manufacturing. The Clean Fuels programs in California, Oregon, and Washington have provided a substantial investment into new technologies through the demand-focused emissions intensity targets.
- **Complementary to Cap and Invest.** This policy structure could help mitigate leakage concerns and offset the potential cost of EITE allowances by receiving credits in CPS. Specifically, a handful of building product manufacturers in Washington are among the national leaders in low-carbon manufacturing. Thus, using a product benchmarking approach representative of the entire market would likely provide initial credits for select industries physically located in Washington, which would support further decarbonization, offset the potential cost of allocations, support local investment, and reduce local pollution.
- **Reporting options already exist.** Measurement and compliance reporting could be done using environmental product declarations (EPDs) - which are already required under Washington's Buy Clean and Buy Fair policy.

We'd be happy to discuss any of these comments in more detail.

Sincerely,



Jordan Palmeri

Senior Researcher

UW - Life Cycle Lab

² <https://ecology.wa.gov/about-us/who-we-are/news/2026/ahead-of-the-curve-washington-s-clean-fuel-standard-exceeded-expectations-during-its-first-year>