

July 24, 2026

Adrian Young
Washington Department of Ecology
P.O. Box 47600
Olympia, Washington 98504-7600



Submitted via the electronic platform

RE: Report and recommendations to Legislature on EITE allowance allocation for 2035--2050 – May 2026

Dear Mr. Young,

Food Northwest appreciates the opportunity to provide responses to the Department of Ecology's ("Ecology") questions in its **Report and recommendations to Legislature on EITE allowance allocation for 2035--2050 – May 2026**. Food Northwest is a 112-year-old regional trade association representing food manufacturers in Washington, Oregon, and Idaho. Eight food processing facilities are EITEs under Washington's Climate Commitment Act. Food Northwest and several of our members met with Ecology staff on June 22, 2026, to provide input on the four focus areas. We have the following additional comments.

Focus Area 1 – Method for making annual reductions to EITE allowances – developing a cap adjustment factor.

What types of data or assumptions can be used to assess the ability of EITEs to decarbonize during the 2030s and 2040s?

During Ecology's 2025 process, RMI submitted a report titled *Opportunities for Industrial Modernization in Washington (June 2025)*. RMI's study aimed to determine emissions-reduction potential and decarbonization pathways for each industrial sector. It concluded that its proposed pathways are "achievable," yet RMI failed to consider the complexities and challenges associated with them. This report cannot be relied upon as an assessment of EITEs' ability to decarbonize nor the pathways to decarbonization.

The ability of EITEs to decarbonize is intrinsically linked to technical feasibility, economic feasibility, the availability of clean energy resources, and the capacity of

the electrical grid. SB6246, Section 9(b)(ii) requires EITEs to submit to Ecology by December 1, 2028, an assessment of technically and economically feasible measures to reduce greenhouse gas emissions at their facilities. This is the data Ecology will need to determine EITEs' abilities to decarbonize and on what timeline. In addition, the outlook for industrial electrification is uncertain. Food processors have been told by their utilities that the electric supply can't support industrial electrification. New large electrical loads placed on utilities will be required to pay for the generation, distribution, and transmission upgrades. These costs are substantial and will result in leakage if facilities are required to electrify according to a mandated schedule. The timing and availability of new clean electric generation resources and grid infrastructure updates necessary to deliver the additional electric load will affect EITEs' ability to decarbonize.

Should all industrial sectors be subject to the same annual reduction in no-cost allowances, or should some be treated differently?

Manufacturing sectors and facilities within those sectors are unique and therefore, their decarbonization solutions will be unique. The need for different treatment would be informed by the SB6246, Section 9(b)(ii) technical and economic feasibility assessments and by a leakage study.

What other policies are needed alongside the provision of no-cost allowances to help ensure against leakage risk?

See focus area 4.

Focus Area 2 – Criteria and methods for making as-needed adjustments to EITE allowance allocation.

What types of circumstances or conditions should qualify for making as-needed adjustments to EITE allowance allocations?

What objective criteria and data could be used to inform these adjustments?

Food Northwest is working to define conditions, criteria, and data requirements for making as-needed adjustments. We would be happy to share our results with Ecology. As-needed adjustments must also include, where justified, a "pause" in compliance or an "off-ramp." EITEs should not be penalized for failing to electrify or

reduce emissions when further reductions are not feasible or when the regional grid infrastructure or clean electric generation cannot supply the necessary power.

Focus Area 3 – Requiring EITEs to invest some of the value of their no-cost allowances in decarbonization projects – implementing a consignment policy.

What factors should be considered when identifying the number of EITE allowances to be consigned to auction?

We would like to better understand the basis for such decisions by Québec and how their consignment program operates. We suggest that a presentation by representatives from Québec with an opportunity to pose questions would be very helpful to EITEs.

What types of decarbonization projects should be funded, and how should they be identified?

The types of projects should include energy efficiency, energy conversion (fuel oil to natural gas or LNG), renewable electricity, green hydrogen, RNG, biomass, and reductions in process or other emissions. These projects could have been identified in the SB6246, Section 9(b)(ii) assessments of technically and economically feasible measures to reduce greenhouse gas emissions, or other sources. In either case, an application for a project to be eligible for consigned funds, similar to that in the Québec program, could be submitted.

What types of facility-specific factors need to be considered in relation to decarbonization projects? E.g., timelines, facility turnarounds, permitting requirements.

See the answer to the last question below.

What type of reporting requirements should be used to ensure that funds are being used for approved decarbonization projects and achieving emissions reductions?

Québec's consignment program requires the submission of periodic progress reports and a final report. Ecology could use a similar process.

What type of flexibility should EITE have regarding use of consigned funds? E.g., how long available, required to prioritize projects with co-benefits?

Adequate timelines that accommodate design, permitting (it can take 9 to 18 months), plant renovations, equipment procurement and installation, scheduling of plant downtime, operational issues, monitoring and evaluation, etc. are very important. Funds should be available for at least five years. There must also be an opportunity for making as-needed adjustments when time frames are projected to be longer due to unforeseen or uncontrollable delays.

Greenhouse gas emissions reductions should be the project priority for consigned funds. Ecology's assessments of criteria pollutants in overburdened communities indicate that EITEs are not a significant contributor of these pollutants.

Focus area 4 – Additional state policies or strategies to support the reduction of emissions and decarbonization of EITEs – complementary measures.

What specific policies and strategies are likely to be most impactful for helping decarbonize EITEs?

Transition enablers. The biggest gap in Washington's policy landscape for EITEs is decarbonization mandates without accommodation for the lack of clean electricity resources and grid infrastructure to deliver the amount of electricity required by these mandates. EITEs should not be penalized for failing to electrify when the power can't be delivered. The state must ensure that this power is available so that EITEs can electrify. See recent [KUOW](#) article.

Supply-side policies. A second major barrier to decarbonization is capital costs. Policies that offer incentives, grants, tax credits, and low-interest loans for EITE decarbonization are critical to addressing this barrier and key to avoiding leakage. For example, in Québec, EITEs can apply for funds to implement measures to reduce greenhouse gas emissions. California has a grant program for food processors, the Food Production Investment Program, funded by cap-and-trade program revenues, to reduce emissions through energy-efficient or renewable energy technologies. California is currently developing the Manufacturers Decarbonization Incentives (MDI) program, which provides a new source of allowances outside the cap, equivalent to \$4 billion, to fund decarbonization at EITE facilities. In addition to these allowances, participating EITEs receive a +0.8 modifier to the cap adjustment factor.

Which complementary measures would create the greatest synergies with the Cap-and-Invest Program?

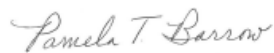
See comments on the above question.

Conclusion

Food processors have been reducing greenhouse gas emissions at their facilities and are committed to continuing these reductions. However, significant barriers remain to achieving the levels of reduction expected under the Climate Commitment Act. Compliance flexibility and state action to address these barriers are critical to help food processors remain competitive and avoid leakage.

Food Northwest thanks the Department of Ecology for the opportunity to provide these comments on the focus areas for Ecology's report to the legislature. We look forward to continuing our collaboration with Ecology to develop and implement an approach to EITE no-cost allowance allocation that protects the viability of Washington food processing EITEs and other EITEs, while achieving the objectives of the CCA.

Sincerely,

A handwritten signature in cursive script that reads "Pamela T. Barrow".

Pamela Barrow
Vice President