Carbon Leadership Forum (Meghan Lewis)

Please see our comments attached.

July 24, 2026

Comments from Carbon Leadership Forum on the Department of Ecology's Report and Recommendations to the Washington Legislature on EITE allowance allocation for 2035-2050

To: Washington Department of Ecology

On behalf of the Carbon Leadership Forum, I am writing to offer comments for consideration as the Department of Ecology develops recommendations on the allocation of no-cost allowances to emissions-intensive, trade-exposed manufacturers (EITEs). Our comments focus on Ecology's question *"What other policies are needed alongside the provision of no-cost allowances to help ensure against leakage risk?"*

The Carbon Leadership Forum is a 501(c)(3) based in Seattle, Washington working to eliminate the embodied carbon of buildings, materials, and infrastructure to create a just and thriving future. We lead research and cross-sector initiatives to address embodied carbon. Embodied carbon – often referred to as life cycle, upstream, or supply chain emissions – is a significant contributor to climate change, responsible for roughly 17% of annual global GHG emissions. Many of these emissions are produced in EITE facilities, such as cement and gypsum, metals, glass, and chemicals facilities.

Policies that establish a clear and consistent demand for lower carbon products are a critical complement to supply-side policies like the Climate Commitment Act that make polluting more expensive. For most industries covered by EITE, decarbonization solutions already exist or are emerging rapidly, but manufacturers need clear demand signals to de-risk investments. Demand-side policies can play a significant role here, and they are currently limited in Washington.

Demand-side policies can also address two major gaps in the CCA: (1) emissions associated with imported products and (2) life cycle emissions of both imported and Washington-made products. These current gaps are part of why many major EITE sectors comprise a relatively small portion of the 2023 EITE covered emissions by sector. For example, cement and gypsum manufacturers currently comprise only ~5.2% of reported emissions. However, this is strongly influenced by the fact that ~70% of the cement used in Washington State is imported, primarily from out of the country.[1]

These emissions missing from Washington's current inventory add up: the life cycle emissions of construction materials used in the construction and renovation of buildings and infrastructure in Washington[2] are estimated to be between 16-43 MMT CO2e per year between 2025-2050.[3] Currently, only about 4 MMT CO2e are covered in Washington's inventory, suggesting that approximately 75-91%

[1] Forthcoming research from the University of Washington based on data from USGS and air quality permit data.
[2] Includes structure, enclosure, interiors, services, and civil/site/infrastructure.
[3] Jensen, A., Chafart, M., Raju, S., and Lewis, M. (2025). *Washington State Embodied Carbon Estimation: 2025-2050*. Carbon Leadership Forum.

of the life cycle emissions of domestic and imported construction materials alone are missing from the scope of Washington's major climate policy. The magnitude of missing emissions would be even larger when considering the missing emissions from other EITE products beyond construction materials.

We therefore strongly recommend that Ecology explore additional complementary demand-side policies, including a Clean Product Standard, expansion of Buy Clean Buy Fair, and advanced purchase agreements.

These policies have the potential to address both leakage and life cycle emissions of products made in Washington or out of state. We believe this would also match the Legislature's intention to "create climate policy that recognizes the special nature of emissions-intensive, trade-exposed industries by minimizing leakage and increased life-cycle emissions associated with product imports." (Chapter 70A.65.005(6) RCW).

1. A **Clean Product Standard** (CPS) would build on the success of both of Washington's existing demand-side policies for EITEs – the Clean Fuels Standard and Buy Clean and Buy Fair. The Clean Fuel Standards approach takes a lifecycle perspective through using LCA data to address upstream extraction, processing, and transportation of fuels in addition to combustion of fuels. Buy Clean Buy Fair has spurred investment in a similar LCA data ecosystem for cement, concrete, and metals used in construction that could be leveraged for a CPS program.

   The success of the Clean Fuel Standards program in Washington points to the large potential of a Clean Products Standard. The program has helped offset the costs of innovation and technology and driven down emissions of fuels. Additionally, Clean Fuel Standards have already been shown to be effective at a subnational level, which is a potential issue with other policies that could address leakage (i.e. carbon border adjustment mechanism (CBAM)).

   Ecology is well suited to explore the potential of a Clean Products Standard in the upcoming legislative report, given that careful consideration of the interaction with the Cap and Invest program would be important. Product coverage, trading mechanisms, and measurement and certification considerations, are also key areas to consider.

2. Strengthening and expanding Washington's green procurement program, **Buy Clean Buy Fair,** could also help send a stronger demand signal for lower carbon products from EITE facilities. This could include (1) expanding the scope of covered projects or products and/or (2) adding global warming potential (GWP) limits. Expanding scope could include expanding building coverage or including WSDOT projects, as is already done in six other states that include transportation in their green procurement programs (CA, NY, NJ, CO, OR, MN).

3. **Advanced purchase agreements** can also drive production and use of lower-carbon products from EITEs. An Advance Purchase Agreement is an agreement made between a buyer and a seller for a product that is still in development, thereby providing funding for the manufacturer to scale production.

   One example that could serve as a model is the Cascadia Sustainable Aviation Accelerator, a sustainable aviation fuel (SAF) accelerator program in Washington. Currently, there are no commercial-scale SAF production facilities in Washington state, but several are in development. The accelerator program has designated $20 million to accelerate production, deployment, and adoption of sustainable aviation fuel across the Pacific Northwest (PNW). A similar program could be established to accelerate the production, deployment and adoption of low carbon materials from other EITE facilities.

We believe that inclusion of these policies will be an important addition to Ecology's recommendations to the legislature on complementary policies to support EITE emission reductions. We thank you for the opportunity to provide input on this critical policy and report. Please do not hesitate to reach out with any questions or for more information.

Sincerely,

Meghan Lewis

Program Director, Carbon Leadership Forum