



Approval of a Resolution Opposing the Passage of Washington State Ballot Initiative No. 2117

Olympia City Council | October 8, 2024



CLIMATE
ACTION AND
RESILIENCE

Issue

Whether to oppose Initiative No. 2117 to Washington's voters, which would:

1. Prohibit state agencies from imposing any type of carbon tax credit trading; and
2. Repeal legislation establishing a cap and invest program to reduce greenhouse gas emissions.



Initiative No. 2117

BALLOT TITLE

Statement of Subject: Initiative Measure No. 2117 concerns carbon tax credit trading.

Concise Description: This measure would prohibit state agencies from imposing any type of carbon tax credit trading, and repeal legislation establishing a cap and invest program to reduce greenhouse gas emissions.

Should this measure be enacted into law? Yes No



Climate Commitment Act

- In 2021, the Washington State Legislature adopted Senate Bill 5126, known as the Climate Commitment Act (CCA). The CCA is a cap-and-invest program designed to help Washington meet its goal of reducing carbon emissions by 95% by 2050.
- The CCA sets an annual greenhouse gas emissions limit for major emitters and lowers that limit over time to help achieve statewide emissions reduction goals.
- The largest emitting sources and industries are required to purchase allowances for the emissions they produce. Allowances can be obtained through auctions hosted by the Department of Ecology or can be bought and sold on a secondary market.



Climate Commitment Act

- The proceeds generated from CCA auctions must be invested in climate projects across the state, including projects to increase climate resiliency, fund alternative transportation grant programs, and help Washington transition to a low-carbon economy.
- At least 35% of auction proceeds must be used for projects that provide a direct benefit to people in communities disproportionately impacted by environmental harms, and at least 10% of auction proceeds must be used for projects with Tribal support.



Climate Commitment Act

In 2024, the City of Olympia was awarded more than \$2.5 million in grant funding made possible by the CCA, including:

- \$386,250 to install EV charging stations at five multifamily sites, two fleet depot sites, and four City workplace sites (funded through the Washington Electric Vehicle Charging Program; WAEVCP).
- \$2,053,000 to install solar energy projects at Olympia Fire Station 1 and the Armory (funded through Energy Programs in Communities; EPIC).
- \$150,000 to develop the Comprehensive Plan climate element (funded through a Washington Department of Commerce Climate Planning Grant).



Climate Commitment Act

- The Climate Commitment Act also establishes a program for the Department of Ecology to reduce emissions of certain air pollutants (particulate matter, ozone, nitrogen dioxide, carbon monoxide, lead, and sulfur dioxide) in communities that are overburdened and highly impacted by air pollution.



Effect of Initiative No. 2117

If approved by Washington voters, Initiative Measure No. 2117 would:

- Repeal the Climate Commitment Act, and bar state agencies from implementing carbon tax credit trading programs.
- This would eliminate CCA climate and air quality programs as well as a funding source for investments in climate projects throughout the state.



Climate Analysis

Passage of I-2117 would negatively impact the City's ability to achieve adopted greenhouse gas emissions reduction goals, by:

- Reducing funding for emissions reduction grants and loans to local governments.
- Eliminating the state-wide cap on emissions from large polluters operating in Washington state.



Equity Analysis

- Addressing environmental justice is a priority focus area for projects funded by the CCA.
 - At least 35% of the CCA auction proceeds must benefit communities disproportionately impacted by environmental harms. At least 10% of auction proceeds must be used for projects with Tribal support.
 - Passage of I-2117 would limit funding for local and statewide projects intended to benefit overburdened communities and address existing environmental health disparities
- The CCA establishes a program for the Department of Ecology to reduce emissions of certain air pollutants (particulate matter, ozone, nitrogen dioxide, carbon monoxide, lead, and sulfur dioxide) in communities overburdened and highly impacted by air pollution.
 - Passage of I-2117 would eliminate this air quality program.



Financial Impact

- The City of Olympia has received climate-related state grants made possible by the CCA.
- Passage of Initiative 2117 could eliminate or significantly restrict access to similar state climate funding in the future.



Options

1. Approve the Resolution opposing Initiative No. 2117, which would prohibit state agencies from imposing any type of carbon credit trading, and repeal legislation establishing a cap and invest program to reduce greenhouse gas emissions.
2. Approve the Resolution with modifications.
3. Don't approve the Resolution.





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