

E2SSB 6058 - H AMD TO APP COMM AMD (H-3450.1/24) **1133**
By Representative Dye

NOT ADOPTED 02/29/2024

1 On page 30, after line 17, insert the following:

2 "Sec. 7. RCW 70A.65.160 and 2022 c 181 s 7 are each amended to
3 read as follows:

4 (1) (a) The department shall establish a price ceiling to provide
5 cost protection for covered entities obligated to comply with this
6 chapter. ~~((The))~~ Except as provided in (b) of this subsection, the
7 ceiling must be set at a level sufficient to facilitate investments
8 to achieve further emission reductions beyond those enabled by the
9 price ceiling, with the intent that investments accelerate the
10 state's achievement of greenhouse gas limits established under RCW
11 70A.45.020. The price ceiling must increase annually in proportion to
12 the reserve auction floor price established in RCW 70A.65.150(1).

13 (b) If the department enters into a linkage agreement under this
14 chapter, effective as of the day that the linkage agreement takes
15 effect, the department must set the price ceiling at an amount no
16 more than the highest auction settlement price that occurred at any
17 single auction during calendar year 2023.

18 (2) In the event that no allowances remain in the allowance price
19 containment reserve, the department must issue the number of price
20 ceiling units for sale sufficient to provide cost protection for
21 covered entities as established under subsection (1) of this section.
22 Purchases must be limited to entities that do not have sufficient
23 eligible compliance instruments in their holding and compliance
24 accounts for the current compliance period and these entities may
25 only purchase what they need to meet their compliance obligation for
26 the current compliance period. Price ceiling units may not be sold or
27 transferred and must be retired for compliance in the current
28 compliance period. A price ceiling unit is not a property right.

29 (3) The price ceiling unit emission reduction investment account
30 is created in the state treasury. All receipts from the sale of price
31 ceiling units must be deposited in the account. Moneys in the account
32 may only be spent after appropriation. Moneys in the account must be
33 expended to achieve emissions reductions on at least a metric ton for

1 metric ton basis that are real, permanent, quantifiable, verifiable,
2 enforceable by the state, and in addition to any greenhouse gas
3 emission reduction otherwise required by law or regulation and any
4 other greenhouse gas emission reduction that otherwise would occur."

5 Renumber the remaining sections consecutively, correct any
6 internal references accordingly, and correct the title.

EFFECT: Provides that if Washington enters into a linkage agreement the price ceiling must, as of the effective date of the linkage agreement, be no more than the highest single auction settlement price that occurred during calendar year 2023 of cap-and-invest program implementation.

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