**5842-S2 AMS SHOR S4585.1 - NOT FOR FLOOR USE**

**2SSB 5842** - S AMD **1087**

By Senator Short

**NOT ADOPTED 02/11/2022**

On page 3, beginning on line 32, after "period" strike all material through "jurisdictions." on line 34 and insert ". The department shall allow flexibility in the number of compliance instruments transferred annually to account for year-to-year variables that affect actual annual emissions including, but not limited to, weather abnormalities and annual variations in the availability of hydropower. The rule developed under this subsection must not require covered or opt-in entities to transfer allowances in an amount that exceeds the covered or opt-in entities' actual emissions."

EFFECT: Removes the direction to the Department of Ecology to require that covered or opt-in entities must annually transfer a percentage of compliance instruments under the cap and invest program in order to smooth their compliance obligation in a manner similar to external greenhouse gas emissions trading programs in other jurisdictions. Requires Ecology, instead, to allow flexibility in the number of compliance instruments transferred annually to account for year-to-year variables affecting actual annual emissions. Clarifies that covered or opt-in entities must not be required to transfer allowances in an amount that exceeds their actual emissions.