**2201-S2 AMH ABBA H3229.1 - NOT FOR FLOOR USE**

**2SHB 2201** - H AMD **902**

By Representative Abbarno

On page 30, after line 37, insert the following:

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

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

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

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

(3) The price ceiling unit emission reduction investment account is created in the state treasury. All receipts from the sale of price ceiling units must be deposited in the account. Moneys in the account may only be spent after appropriation. Moneys in the account must be expended to achieve emissions reductions on at least a metric ton for metric ton basis that are real, permanent, quantifiable, verifiable, enforceable by the state, and in addition to any greenhouse gas emission reduction otherwise required by law or regulation and any other greenhouse gas emission reduction that otherwise would occur."

Renumber the remaining sections consecutively, correct any 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.