

**2SHB 2201 - H AMD 902**

By Representative Abbarno

1 On page 30, after line 37, 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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