

Climate Action Policy



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The Alliance for Jobs and Clean Energy is proposing an effective and equitable approach for climate action in Washington State by:

- Adopting science-based standards for carbon emission reduction
- Advancing a policy that prices and reduces emissions
- Reinvesting carbon fee proceeds in clean energy and energy conservation, clean air and water, and the workers, businesses, and communities most impacted by this transition and by climate change

This first-in-the-nation policy proposal reflects the diverse values of the many constituencies of the Alliance. It will make major progress on reducing carbon emissions and building the clean energy economy.

Accelerating the transition to a clean energy economy will stimulate the creation of new, well-paying, long-term jobs. Targeted investments will offer new opportunities for workers and communities disproportionately impacted by climate change, helping ensure that the prosperity of a clean energy economy is shared by all.

In Washington, we will use our collective experiences and values to build on existing policies to create the most effective and equitable carbon emissions pricing model to date.

THE MECHANISM: REDUCE AND REINVEST

An economy-wide carbon emissions cap based on best available science.

The state's largest emitters will be required to pay an emissions mitigation fee, starting at \$15 per metric ton of CO₂ equivalent and increasing over time.

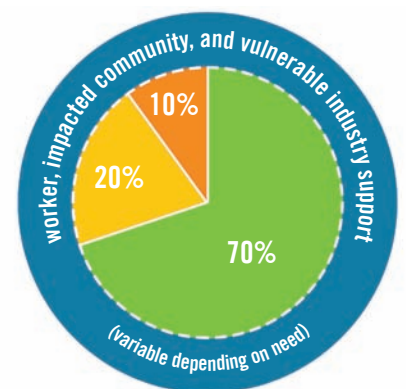
Emissions fee proceeds will be net positive to the state's budget and be invested in an equitable transition to a clean energy economy.

SOLUTIONS AND AN EQUITABLE TRANSITION

Investments in Clean Energy, Clean Water, and Healthy Forests

- **70% of investment funds will promote the transition to a clean energy economy**, incentivizing carbon reductions and supporting clean energy projects like transportation electrification, energy conservation, solar and wind power, smart grid, and more. These investments will create thousands of jobs in Washington—family wage jobs that can't be outsourced.
- **20% of investment funds will promote clean and abundant water.** These projects will be instrumental in protecting water quality and the health of Washington's vibrant agricultural sector.
- **10% of investment funds will promote healthy forests** that absorb carbon emissions and are more resilient to wildfire. These projects will reduce the serious impacts of uncontrolled burns and help protect Washington's forestry industry.

Revenue Allocation & Investment



- Working families tax rebate, EITE, and workers fund
- Clean energy economy investment
- Clean water investment
- Healthy forests investment

Protection for Disproportionately Impacted Communities

- The state, along with a committee comprised of highly impacted community members, workers, and residents of Washington, will **analyze, monitor, and mitigate the cumulative impacts of pollution**, as well as the social and economic disparities that create Environmental Justice Communities and that disproportionately burden communities of color.
- The state will ensure that a significant portion of all emissions fee proceeds reach Environmental Justice communities by **investing a minimum of 25% of investment funds in projects that benefit EJ communities with a minimum of an additional 10% to projects located directly in those communities.**
- The program will reduce impacts on low-income families by **funding the Working Families Tax Rebate** at 20% of the federal Earned Income Tax Credit and provide other support for low-income people not covered by the rebate. Revenue will be diverted for this fund prior to determining investment fund allocation amounts.

Protection for Workers, Trade-Exposed Businesses, and Economic Prosperity

- The program will include **compliance flexibility for energy-intensive, trade-exposed (EITE) businesses.** Qualifying businesses will receive rebates equal to a substantial portion of their costs under the program. If facilities close or relocate, they will be required to return the rebates to the state. Revenue will be diverted for this fund prior to determining investment fund allocation amounts.
- **A worker transition fund** will provide income and benefit support to workers who lose their jobs due to the transition to the clean energy economy based on the worker's years of service. It will also help support communities that experience facility closures and job loss. Revenue needed for this fund will be prioritized and may fluctuate; all other investments would be made with funds remaining after these needs are met.

WHAT'S NEXT?

This summer, we will be taking the Alliance's policy proposal out on a listening tour across the state – to frontline communities, workers, and businesses that will be impacted in a variety of ways by climate change and the transition to a clean energy economy. We plan to gather in places of worship, community centers, union halls, and businesses from Spokane to Yakima to Federal Way to gather input on the policy.

We will hone our policy and strategy based on the feedback we receive and are committed to moving this policy forward, whether in the legislature or at the ballot. Together, we can make this transition in a way that benefits our communities, our environment and our economy.

