

CLEAN ENERGY TRANSITION ACT

Equitable Climate Action Policy for All of Washington

HB 1646 and SB 5509

Washington state can – and should – join the growing number of countries and regions acting to reduce carbon pollution and build a clean energy future by passing HB 1646 and SB 5509.

In Washington, a group of social justice, labor, faith, environmental and health advocates have used our collective experiences and values to craft what we believe is the most effective and equitable carbon reduction policy to date for equitably transitioning to a clean energy economy. HB 1646 and SB 5509 are centered on the Alliance for Jobs and Clean Energy's policy proposal and chart an effect path for our state.

Fund the solutions: 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, resilient infrastructure, and more.
- 20% of investment funds will promote clean and abundant water and improve resilience from expected climate impacts.
- 10% of the investments funds will promote healthy forests that absorb carbon emissions and are more resilient to wildfire.

Investment decisions will be based on labor standards criteria that provide prevailing wage rates, apprenticeship and pre-apprenticeship utilization standards, use of domestic content whenever practicable, and use of community workforce agreements to prioritize local hire.



This legislation will:

- Drive significant investment in clean energy, healthy forests, and water infrastructure—to reduce pollution, address the impacts of climate change in Washington, and grow our clean energy economy.
- Fund these investments with a performance based tax on climate pollution - a price that is linked to how well we are meeting our emissions limits.
- Bolster economic stability and equity in the transition to clean energy:
 - Ensure that communities hardest hit by pollution and climate change receive a significant share of clean energy, forest, and water investments.
 - Provide financial assistance to low-income families to make low-carbon options realistically available and accessible to all.
 - Provide support to workers and communities during the transition to a clean energy economy.
 - Keep energy intensive and trade exposed industries in the state, rather than driving their business and pollution elsewhere.

Price the pollution: a performance-based approach.

Right now, the public is responsible for bearing the costs of carbon emissions – including public health impacts in frontline communities near emitting facilities. A price on pollution will better account for the true costs of carbon into the economy and support investments that help drive the transition to clean energy alternatives.

To help internalize the true cost of greenhouse gas emissions, this policy implements a carbon tax that is based on how well we meet emissions reduction goals. That means if Washington remains on track for its climate goals, the tax will not go up. But if we fall short, a gradual escalator will ensure that we can grow our investments – and the jobs they create – to accelerate the transition to clean energy.

“If Washington remains on track for its climate goals, the tax will not go up.”

Protection for energy intensive and trade-exposed businesses.

This policy will include compliance flexibility for energy intensive and trade-exposed businesses, which will receive rebates to offset their compliance costs, ensuring that Washington’s clean industrial sector can continue to thrive here instead of sending jobs and emissions elsewhere. These rebates will be maintained as long as deemed necessary to achieve that goal.

An equitable transition for all of Washington: protection for disproportionately impacted communities and workers.

Communities of color and low-income communities are most directly impacted by pollution and climate change. Such communities are often closely clustered around roadways and other sources of emissions, with higher rates of asthma and respiratory problems. These communities are also most directly affected by climate change, including drought and forest fire impacts in rural and agricultural areas. Mitigating these impacts will require investment in a wide array of projects and adaptations.

Thirty-five percent of investments will be targeted to highly burdened communities, which, combined with the rebate program, will mitigate impacts on low income communities and individuals.

The policy will also provide worker support with income, benefit, peer counseling, and retraining plus support for communities that experience closures and job loss. Revenue will be diverted for this fund prior to determining investment fund allocation amounts.

