



**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY**

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May 25, 2023

TO: Agency Leaders

FROM: Laura Watson, Director

SUBJECT: Ecology Rulemaking on Climate Funds Report

I am writing to make you aware of a new Department of Ecology rulemaking that may impact your agency.

On May 25, Ecology announced the Climate Commitment Act (CCA) Funds Reporting rule ([Chapter 173-446B WAC](#)). This rule is expected to be adopted in late 2024 and will set reporting requirements for recipients of legislatively appropriated revenue from Ecology's cap-and-invest program. The reporting will allow us to compile information and provide a report to the Washington Legislature, as required annually under [RCW 70A.65.300](#).

Any recipient of appropriations from at least one of three CCA accounts and/or four CCA sub-accounts (established in [RCW 70A.65.240 through RCW 70A.65.280](#) and [ESSB5974](#)) will have reporting requirements under the new CCA Funds Reporting rule. The relevant accounts and sub-accounts are:

1. Carbon Emissions Reduction Account
 - Climate Active Transportation Account
 - Climate Transit Programs Account
2. Climate Investment Account
 - Climate Commitment Account
 - Natural Climate Solutions Account
3. Air Quality and Health Disparities Improvement Account.

We invite you to participate in the informal public comment period on this rule, which begins in Summer 2023 and extends through Fall 2023. We will be exploring what, how, and when

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funding recipients need to report to us, in addition to methodologies for quantifying any greenhouse gas emissions reductions that may result from programs and projects funded through CCA appropriations.

Furthermore, during the 2023 legislative session, the Legislature instructed Ecology to develop and implement a process to track, summarize, and report on information regarding expenditures that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities, as well as expenditures that are formally supported by a tribal resolution. This will also be discussed during the public comment period.

Further information and a sign-up form for notifications about this rule are [available here](#).

Thank you for your engagement, and we look forward to working with you throughout the rulemaking process. Please feel free to reach out to me or rulemaking lead Harrison Ashby, harrison.ashby@ecy.wa.gov, (360) 485-2771, with any questions or concerns.