



Allowance Allocation to Emissions-Intensive, Trade-Exposed Industries: Vintage 2025

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Background

In establishing the Climate Commitment Act, the Legislature recognized that certain industries faced unique challenges in reducing their greenhouse gas emissions in the early years of the Cap-and-Invest Program. The Legislature decided to give no-cost allowances to these “emissions-intensive, trade-exposed” industries, or “EITEs,” until at least 2034.

EITEs are important local industries that are mostly manufacturing facilities. They use high levels of energy and release large amounts of greenhouse gas emissions while also facing significant national or global competition for their products.

EITEs were given special consideration by the Legislature to protect the jobs and investments that these businesses bring to Washington and avoid them moving their operations out of state. Washington isn’t the only government to make special considerations for EITEs. Most carbon trading programs around the world, such as those in California and Québec, provide no-cost allowances to EITEs or use other policies to avoid carbon leakage.¹

The methodology for determining how many no-cost allowances each EITE facility can receive is set-out in the Climate Commitment Act Program rule, [WAC 173-446-220](#). Ecology distributes no-cost allowances to EITE facilities annually, in accordance with the timeframes set out in [WAC 173-446-260](#).

During the first compliance period (2023-2026), EITE facilities are allocated no-cost allowances from the applicable vintage allowance budget, e.g. vintage 2025, that are equal to 100% of their allocation baselines, of which there are two types:

- EITEs with a ‘mass-based baseline’ receive no-cost allowances equal to their average annual emissions during the 2015-2019 baseline years outlined [RCW 70A.65.110](#).²
- EITEs with a ‘carbon intensity baseline’ receive no-cost allowances in two stages, for example:
 - On Oct. 24, 2023: EITEs received an initial allocation of ‘vintage 2023’ allowances equal to their average annual carbon intensity during the 2015-2019 baseline years³ multiplied by their verified production data from 2021 and the applicable reduction schedule (100%).
 - By Oct. 24, 2024: Ecology conducts a final reconciliation or ‘true-up’ of no-cost allowances for intensity-based EITEs using their verified 2023 production data. The ‘true-up’ amount is then added or subtracted from the initial allocation for the next emissions year, which in this example would be the ‘vintage 2025’ allowance allocation.

¹ “Leakage” means a reduction in emissions of greenhouse gases within the state that is offset by a directly attributable increase in greenhouse gas emissions outside the state and outside the geography of another jurisdiction with a linkage agreement with Washington.

² Unless alternate baseline years were approved by Ecology.

³ Unless alternate baseline years were approved by Ecology.

All facilities with emissions above 10,000 metric tons of CO₂-equivalent (MTCO₂e) must submit a greenhouse gas report as specified in the reporting rule ([WAC 173-441](#)). Facilities must remain in compliance with this rule to continue receiving no-cost allowances. No-cost allowances are not provided to facilities during periods of closure or curtailment.

As facility-level allowance allocation data could reveal market-sensitive or otherwise confidential business information about registered entities,⁴ the allocations to EITE facilities presented in Table 1 are aggregated to include at least five facilities. Table 2 sets out the individual facilities within each of the aggregated subsectors in Table 1.

Summary of Allowance Allocations to EITEs for 2025 (Table 1)

The “Total allocation” values in Table 1 are the sum of vintage 2025 allowances allocated to eligible entities. “Total allocation” values reflect true-up calculated as per [WAC 173-446-220](#). The “Total true-up” values are the sum of true-up allowances,⁵ and are a subset of “Total allocation.” The “Total allocation” values do not include any negative allocation balance that will be carried forward to subsequent years until the deficit is resolved as per [WAC 173-446-260](#).

| Subsector | Total facilities | Total allocation | Total true-up |
|---|------------------|------------------|---------------|
| Building Product, Electronics and Aerospace Manufacturing | 7 | 406203 | 38844 |
| Food Processing and Manufacturing | 11 | 579319 | 65156 |
| Petroleum Refining and Chemical Manufacturing | 10 | 6840966 | 268488 |
| Primary Metals and Glass Manufacturing | 6 | 373759 | 29655 |
| Pulp, Paper and Cement Manufacturing | 7 | 906647 | 27889 |
| Grand Total | 40 | 9106894 | 430032 |

⁴ RCW 43.21A.160 provides the Department of Ecology with the ability to exempt Confidential Business Information from the Public Records Act under certain circumstances. WAC 173-446-390 deems certain market-sensitive information not subject to public disclosure. WAC 173-446-317 prohibits auction participants from disclosing bidding strategy and other information. To preserve market security, Ecology holds itself to this same standard.

⁵ True-up allowances are a distinct type of vintage 2025 allowances that EITEs can use for meeting their compliance obligation for the 2023 emissions year as set out in WAC 173-446-400(4).

List of NAICS Codes and EITE Facilities in each subsector (Table 2)

| Sector | NAICS codes | Facility names |
|--|--|---|
| Building Products, Electronics and Aerospace Manufacturing | 327420: Gypsum Product Manufacturing 334413: Semiconductor and Related Device Manufacturing 3364XX: Aerospace Product and Parts Manufacturing | Analog Devices, Inc. - Camas Boeing Commercial Airplanes - Everett Boeing Company - Auburn Site – Auburn CertainTeed Gypsum – Seattle Georgia-Pacific Gypsum LLC - Tacoma Goodrich Corporation - Spokane WaferTech LLC - Camas |
| Food Processing and Manufacturing | 3114XX: Fruit and Vegetable Preserving and Specialty Food Manufacturing 3115XX: Dairy Product Manufacturing 311611: Animal (except poultry) Slaughtering 311991: Perishable Prepared Food Manufacturing | Basic American Foods - Moses Lake Darigold - Sunnyside J.R. Simplot Company - Moses Lake J.R. Simplot Company - Othello Lamb Weston - Connell Lamb Weston - Pasco Lamb Weston - Quincy Lamb Weston - Richland McCain Foods - Othello Tyson Fresh Meats, Inc. - Wallula Washington Potato Company - Warden |
| Petroleum Refining and Chemical Manufacturing | 324110: Petroleum Refineries 3251XX: Basic Chemical Manufacturing 325311: Nitrogenous Fertilizer Manufacturing | Air Liquide Hydrogen Plant - Anacortes bp Cherry Point Refinery - Blaine LANXESS Corporation HF Sinclair Puget Sound Refinery LLC - Anacortes Marathon Anacortes Refinery - Anacortes Matheson - Anacortes Nutrien US LLC. - Kennewick Phillips 66 Ferndale Refinery - Ferndale Solvay Chemicals, Inc. - Longview U.S. Oil & Refining Co. - Tacoma |

| Sector | NAICS codes | Facility names |
|--|--|--|
| Pulp, Paper and Cement Manufacturing | 3221XX: Pulp, Paper, and Paperboard Mills 327310: Cement Manufacturing | Ash Grove Cement Company - Seattle Georgia-Pacific Consumer Operations LLC - Camas Nippon Dynawave - Longview North Pacific Paper Company, LLC - Longview Packaging Corporation of America - Wallula Port Townsend Paper Corporation - Port Townsend WestRock LLC - Longview |
| Primary Metals and Glass Manufacturing | 32721X: Glass and Glass Product Manufacturing 331110: Iron and Steel Mills and Ferroalloy Manufacturing 331221: Rolled Steel Shape Manufacturing 33131X: Alumina and Aluminum Production and Processing 331410: Nonferrous Metal (except aluminum) Smelting and Refining | Cardinal FG Company - Winlock Kaiser Aluminum Washington, LLC (Trentwood Works) - Spokane Valley Nucor Steel Seattle, Inc, - Seattle Owens-Brockway Glass Container Inc Plant #2 - Kalama REC Solar Grade Silicon Steelscape - Kalama |

Contact

For questions related to EITE allocation, please email CCAEITEIndustries@ecy.wa.gov or visit the [EITE webpage](#).

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