
SENATE BILL 5769

State of Washington

68th Legislature

2023 Regular Session

By Senator Mullet

1 AN ACT Relating to the price ceiling under chapter 70A.65 RCW,
2 the climate commitment act; and amending RCW 70A.65.160.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 70A.65.160 and 2022 c 181 s 7 are each amended to
5 read as follows:

6 (1) The department shall establish a price ceiling to provide
7 cost protection for covered entities obligated to comply with this
8 chapter. The ceiling must be set at a level sufficient to facilitate
9 investments to achieve further emission reductions beyond those
10 enabled by the price ceiling, with the intent that investments
11 accelerate the state's achievement of greenhouse gas limits
12 established under RCW 70A.45.020. The price ceiling must increase
13 annually in proportion to the reserve auction floor price established
14 in RCW 70A.65.150(1). However, when setting the price ceiling, the
15 department must ensure that it does not exceed an amount that is 20
16 percent higher than the most current auction settlement price set in
17 California.

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.

1 Purchases must be limited to entities that do not have sufficient
2 eligible compliance instruments in their holding and compliance
3 accounts for the current compliance period and these entities may
4 only purchase what they need to meet their compliance obligation for
5 the current compliance period. Price ceiling units may not be sold or
6 transferred and must be retired for compliance in the current
7 compliance period. A price ceiling unit is not a property right.

8 (3) The price ceiling unit emission reduction investment account
9 is created in the state treasury. All receipts from the sale of price
10 ceiling units must be deposited in the account. Moneys in the account
11 may only be spent after appropriation. Moneys in the account must be
12 expended to achieve emissions reductions on at least a metric ton for
13 metric ton basis that are real, permanent, quantifiable, verifiable,
14 enforceable by the state, and in addition to any greenhouse gas
15 emission reduction otherwise required by law or regulation and any
16 other greenhouse gas emission reduction that otherwise would occur.

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