What We Can Learn from Washington's Cap & Invest Program

Overview

Refresher: What is Cap-and-Invest

Cap-and-Invest is a market-based approach to reducing greenhouse gas emissions by putting a price on carbon pollution, thereby reducing greenhouse gas emissions, supporting renewable energy, and generating revenue. California and Washington both have active cap-and-invest programs with other states considering programs.

Defending Bold Climate Action

With the change in federal administration, state climate action is more important than ever. Despite changes at the federal level, voters showed that they supported bold climate policy when it invests in programs they care about such as clean air, water, and health. In Washington, voters overwhelmingly defended the Climate Commitment Act, their cap-and-invest program, from a ballot initiative that sought to overturn it.

What can other states learn from Washington as they also seek to introduce ambitious climate policies? Here's what we learned from speaking to key stakeholders in the cap-and-invest story.

Lessons for Other States

1. Build a Broad Coalition of Unlikely Allies

Supporters of the Climate Commitment Act knew they could not pass or defend the program without a wide tent of stakeholders. Labor proved to be a very powerful defender of the program, because of the jobs created by projects funded by the CCA. The private sector also supported the CCA due to the regulatory certainty it provides. Once the program was in place, many unions and private sector stakeholders were keen to keep the status quo and support projects already in motion.

Highlighting the wide variety of stakeholders in support of the CCA had a meaningful impact on the public perception of the program. Advocates noted that opponents struggled to land the message that capand-invest was hurting communities and businesses when firefighters, nurses, and major businesses such as Amazon were a part of the coalition defending it.



Key Takeaway 1: These trusted voices can differ between states, but it's critical to conduct polling and research to identify the best communicators for the message. It might not always be the most expected one.



2. Invest in What has High Popularity and Value

Supporters of the CCA found it crucial to point to specific projects the Act would fund. Both the bill language and the ballot initiative specifically laid out what programs would be funded specific to legislative districts in the state, many of which were very popular amongst the public including wildfire mitigation, free transit for youth, salmon habitat protection, and ferry service. CCA defense was very clear with voters that if the CCA was dissolved, there was no viable funding mechanism to support these programs, and the benefits would disappear.



Key Takeaway 2: What programs would be popular is highly state-specific, but it's important to identify what those cornerstone issues are for communications. This is particularly salient in a political climate where federal funding for programs is uncertain and it will be up to states to fund and protect essential services.

3. Working Quickly and Taking Credit

In terms of lessons learned, advocates noted that it did take some time for the first funds to roll out the door, because of the time needed to staff up the agency distributing funds. In hindsight, having a highly popular program ready to go as the first dollars come in can help immensely with public support of the project. The Washington State Department of Ecology was also vigilant about branding and documentation of projects that were supported by CCA funds, so that the public would know when they were benefiting from the program.

An <u>interactive dashboard</u> was created to show where and how agencies have spent funds from CCA accounts, including information about emissions reductions, supportive Tribal resolutions, and benefits to vulnerable populations within overburdened communities. A <u>report</u> highlighting the jobs created, economic development, and job quality from CCA projects was released and published in the height of the repeal campaign, which also helped voters understand the immediate impact on

their communities and what would be lost if the program was repealed.



Key Takeaway 3: Having a highly popular program ready to go when funds are available can be key to public support for cap-and-invest. It should also be clear and visible when new projects are funded by cap-and-invest proceeds.

4. Simplify the talking points

Cap-and-invest can be a complicated policy to explain and understand. In both the defense and initial passage of the program, advocates encouraged policymakers to focus on the benefits of the program rather than the weeds of the trading rules and cap. The coalition knew there would not be time to educate the public in the complex workings of cap-and-invest, so a communications campaign focused on what would be lost without the program was indicated as the best path forward.

Advocates also avoided using the term "tax" when communicating the program to the public. The name of the program matters immensely and needs to focus on the benefits, not the costs. It was also critical to prepare messengers to respond to questions around the gas price impacts. Polling showed that the public did think costs would be passed down to their bills, so a compelling opposing argument was that if future gas prices are uncertain for a variety of reasons, one certainty that would come with a cap-and-invest program is that these popular programs would be funded.



Key Takeaway 4: By leaning into the benefits of the program rather than the mechanism of the program, advocates were able to get the public excited about a particularly wonky concept. Name and word choice matters immensely, and messengers should be ready to push back against fears that gas prices will rise.





Closing Thoughts States Being Bold on Climate

In a time where federal climate action may focus on weakening protections for the climate, it's crucial for states to step up with bold initiatives to safeguard the environment. State-level action provides a vital counterbalance and can drive meaningful change when federal leadership is lacking. Policies like cap-and-invest allow states to enact bold climate action while also creating viable funding streams for programs that will invest in clean air, water, and health.

Resources

- The Washington Climate Commitment Act Policy Memo | NCEL
- Climate Accountability and Risk Issue Area | NCEL
- (Re)explaining Washington's Climate Commitment Act | Sightline Institute

Interviews

The following stakeholders were interviewed to gain insights and lessons learned from passing Washington's Climate Commitment Act.

- Reuven Carlyle | Former Washington state legislator
- Altinay Karasapan | Washington Regulatory Policy Manager, Climate Solutions
- Leah Missik | Washington Deputy Policy Director, Climate Solutions
- Isaac Kastama | Clean & Prosperous Washington
- Mark Prentice | Founder & President, Union Street Strategies; Former Communications Director, No on 2117

