



November 16, 2021

Rachel Assink
Department of Ecology
Air Quality Program
P.O. Box 47600
Olympia, WA 98504-7600

RE: PPGA Comments on Chapter 173-441 WAC Reporting of Emissions of Greenhouse Gases Updates

Dear Ms. Assink:

The Pacific Propane Gas Association (PPGA) is the state trade association representing Washington's propane industry. Our membership includes small multi-generational family businesses and large businesses engaged in the retail marketing of propane gas to Washingtonians. PPGA members provide propane to residential, commercial, agricultural, transportation and industrial markets in Washington. Currently, users of propane have found value in propane's environmental benefits, versatility, and affordability.

Renewable Propane

The propane industry has made significant efforts and investments to decarbonize its fuel with the introduction of new innovative products into the marketplace such as renewable propane and blending renewable dimethyl ether (DME) and propane. Renewable propane (also known as biopropane, bioLPG, renewable LPG or rLPG) is a low-pressure liquified gas comprised of propane derived from non-petroleum and/or renewable sources and other molecules derived from non-petroleum and/or renewable sources, which may include renewable DME or renewable hydrogen.

Currently, renewable propane is generated primarily as a co-product of renewable diesel, renewable propane can scale with the increased scaling of that fuel. Renewable diesel is made from feedstocks such as canola and soybean oils, distillers' corn oil (a byproduct of ethanol production), used cooking oil or vegetable oil, tallow, and white grease (mostly from pork). About 900 million gallons of renewable diesel were consumed in the United States in 2019, based on estimates using U.S. Environmental Protection Agency data.

Carbon Intensity Values of Propane

In Oregon's Clean Fuels Propane "traditional" propane is given a carbon intensity (CI) value of 80.88. Under the program the CI value for renewable propane is 39.26. This fuel pathway code is renewable propane derived from animal fats, corn oil, or a waste stream, not including any palm-related waste streams. The California Air Resources Board (CARB) does value "traditional" propane at a slightly higher CI score of 83.

Additionally, new technologies continued to be developed such as the blending of renewable Dimethyl Ether (rDME) and propane. CARB has calculated that, when rDME is made from dairy biogas rDME has a CI value of -278. With only a 5% blend of rDME, propane's baseline CI value decreases from 83 to 65, and at a 20% blend the CI value decreases to just 11. As an industry, with continued investments we believe propane can get to zero or near zero carbon intensity.

Renewable propane is already in the marketplace in California and Oregon supporting those states decarbonization efforts.

Biomass-Derived Fuels

The PPGA wanted to provide additional details on the growth potential of renewable propane and its low carbon intensity value to support Washington State's efforts to reduce greenhouse gas emissions. The PPGA is concerned about the draft rules narrow scope of biomass-derived fuels. The PPGA strongly believes that the final rule and reporting forms provide the ability to separately report the petroleum-based fuels vs. renewable-based fuels. If the rule only uses EPA 4- CFR Part 93 Tables MM-1 and MM-2, that distinction is not clear and could limit the adoption and growth of renewable fuels in Washington. Increased adoption of renewable fuels will be critical to the success of the Climate Commitment Act. Additionally, providing more flexibility on biomass-derived will ensure that future fuels can quickly be integrated in the Climate Commitment Act and other greenhouse gas reduction programs.

The PPGA strongly recommends that the following be added to the end of the Calculation Methods for Suppliers section: WAC 173-442-122 (2)(c): "**or any other biomass-derived fuel meeting the definition in WAC 173-441-020 (1)(b)**". Again, it is critical that the language defining biomass-derived fuels is properly flexible, anticipates future renewable fuels and is aligned with biomass-derived fuel language in other Washington State greenhouse gas reduction programs.

Reporting Timeline

The PPGA has concern with the implementation timeline of the Rule. At the last stakeholder meeting, Ecology indicated that reporting for new entities would begin in 2023, reflecting 2022 data. We are concerned this timeline is unworkable since the final Rule will not be adopted until the Winter of 2022. While entities will make preparations in anticipation of the final Rule, we are concerned that there is not enough time between the Rule's final adoption date and the data reporting requirement beginning in 2023. The timeline for reporting for new entities subject to

the rule should begin instead in 2024, reflecting 2023 data. This will allow entities to collect and report data per the new Rule with sufficient time to implement new procedures for the entire reporting year. The PPGA believes working through all the implementation issues well in advance of reporting will ensure a successful program.

Thank you for allowing us to share our feedback on this important rulemaking process. If you have any questions, please feel free to contact me at 844.585.4940 or matt@kdafirm.com.

Sincerely,

A handwritten signature in cursive script, appearing to read "Matthew Solak".

Matthew Solak
Executive Director
Pacific Propane Gas Association
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