

Phillips 66

Phillips 66 comments on proposed amendments to WAC 173-441- Reporting of GHG (see attached comments)



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Steven D. Smith
Director, Climate & Regulatory Affairs
Phillips 66
1075 W. Sam Houston N., Suite 200
Houston, TX 77043
Steven.d.smith@p66.com

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

Submitted Electronically to: [Rulemaking - Chapter 173-441 WAC, Reporting of Emissions of Greenhouse Gases \(commentinput.com\)](#)

Re: Comments on Proposed Amendments to Chapter 173-441 – Reporting of Emissions of Greenhouse Gases

Dear Ms. Assink,

Phillips 66 appreciates the opportunity to comment on the proposed amendments to Chapter 173-441 – Reporting of Emissions of Greenhouse Gases (GHG). Phillips 66 operates a petroleum refinery in Ferndale, Washington and is a supplier of petroleum fuels in the State. This rulemaking will directly impact our operations.

We appreciate the Washington Department of Ecology's (Ecology) work to update the regulation to better capture Washington's total GHG emissions. This will improve the accuracy of measuring progress in reducing State-wide emissions and will serve as the backbone for determining compliance obligations under the planned Cap-and-Invest program.

We support the comments submitted by the Western States Petroleum Association (WSPA) and offer these comments to further reinforce the WSPA comments.



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Reporting Requirements by Year

Petroleum refineries and liquid transportation fuel suppliers have significant work ahead of us to prepare for the new reporting obligations. For example, the proposed use of refinery CWB (Table 050-1) as the “production metric” for petroleum refineries may require the installation of new meters in production units in locations that are only accessible during infrequent production unit downtime. As another example, the proposed new reporting of fuel supplier volumes will require coordination with our internal tax and accounting personnel to capture the correct data in the format requested by Ecology. It is therefore important that the rule be reasonable and clear on what data is required and in what year.

The regulations as proposed are not clear on what data should be submitted for operating years 2021 vs. 2022 vs. 2023, by March 31 of 2022/2023/2024, respectively. We recommend that Sections 441-030 and/or 441-050 be expanded to make the requirements clearer for each of these reporting years. The addition of a table with this clarity may be useful. We recommend that reporting of any new data not begin until March 31, 2024 for operating year 2023 data as that would be the first year that data may be needed for determination of Cap-and-Invest obligations. We recommend that reporting be required by April 10 of each year to allow facilities to complete their EPA reporting by March 31 and then gather the additional data required by Washington by April 10.

Verification requirements should not start until 2024 for operating year 2023 data. This should be clarified in regulation.

As noted above, it may not be possible to install CWB meters in the timeline proposed. Ecology should allow “alternative methods” for determination of CWB. This could be via use of other meters and engineering assumptions.

Missing Data Provisions

WSPA’s comments explain how the current missing data provisions for reporting to EPA are different than the proposed missing data provisions in 173-441. If Ecology wants EPA and Washington reporting to be consistent, then the missing data provisions must be consistent. We recommend that Ecology adopt the same missing data provisions as EPA for consistency. If different missing data provisions are desired, that should be addressed in a future rulemaking.

New Fuels

The proposed regulations must be written with sufficient flexibility to enable reporting of other current and future fuels not included in EPA’s Tables MM-1 and MM-2. The regulation and reporting forms should be constructed to allow reporting of renewable diesel, renewable naphtha, renewable gasoline and renewable propane at a minimum. Renewable diesel can correctly be assumed to have the same GHG emissions as petroleum diesel; the CO₂ emissions should be treated as biogenic with zero obligation under the planned Cap-and-Invest program. We recommend that the reporting allow

reporting of new fuels (especially biomass-based fuels) beyond those listed in EPA Tables MM-1 and MM-2 to properly encourage the development and introduction of new low-carbon fuels.

Carbon Capture

We strongly support Ecology's inclusion of reporting of GHG captured for geologic storage (CCS). We recommend that Ecology expand this to allow reporting of GHG captured via Direct Air Capture (DAC). This reporting of CCS and DAC could prove to be critical carbon reduction pathways for compliance with the planned Cap-and-Invest program.

Confidential Business Information

Phillips 66 will likely submit a future letter to Ecology stating that much of the data to be reported by our refineries and fuel supplier data is confidential business information and should be treated as such.

Thank you for this opportunity to submit comments. You can reach me at 832-765-1779 or steven.d.smith@p66.com.

Best Regards,

Steven D. Smith