

April 25, 2022

Joel Creswell, Ph.D,
Climate Policy Section, Department of Ecology
300 Desmond Drive SE
Lacey, WA 98503

Re: Rulemaking – Informal Comment Period for Chapter 173-424 WAC, Clean Fuels Program Rule

Dear Dr. Creswell.

The Port of Seattle (the Port) thanks you for the opportunity to comment during the development of this seminal rulemaking that will usher our state into a new generation of low carbon transportation.

At the Port, we've adopted aggressive goals to reduce the emissions associated with port operations. From the goal to fuel ten percent of all flights leaving Seattle-Tacoma International Airport (SEA) with Sustainable Aviation Fuel by 2028, to the Northwest Ports Clean Air Strategy's goal to be zero emissions at the seaport by 2050; we are eager to partner with the Washington Department of Ecology (Ecology) on the policy mechanisms we will need to get us there. The enactment of HB 1091, which led to this rulemaking, is a long-term Port priority that reflects a central tenet shared by our commissioners and our constituents: that economic development and moving passengers and freight should not come at the expense of air quality, climate degradation, or human health. We look forward to partnering with your agency on the development and finalization of the Clean Fuels Program, beginning with our informal comments included in this letter.

The Port recognizes Ecology's interest in leveraging and linking with the California and Oregon Low Carbon Fuel Standard (LCFS) regulations as much as possible. In general, the Port supports this approach, but recognizes that electric transportation is different from drop-in-liquid-fuels that don't rely on vehicle or vessel modifications to use the fuel. For transportation electrification, there can be situations where both the fuel user and fuel provider invest significant up-front capital. For this reason, there is concern over who receives the electric transportation credits, how they are shared, and/or reinvested.

California's approach to credit generation includes electric-specific credit generation models in an attempt to address this concern. The Port believes Ecology may have a unique opportunity to advance equity and meaningful carbon reductions for electric credits beyond the California approach.

To align with both the HEAL Act and the Climate Commitment Act, the Port recommends applying the following principles to guide how electric transportation credits are generated and reinvested. Credit generation and investment must:

- Drive meaningful and significant carbon reduction
- Help reduce up-front costs where there are significant barriers to entry
- Promote equity and public health benefits.

Applying these principles to specific use cases, the Port offers the following recommendations for rules regarding electric transportation credits:

- **Require public sector and utility credit generators to invest** a portion of the credits associated with electric transportation infrastructure into additional infrastructure and vehicle/vessel replacement and retrofits.
- **Ensure that credit revenue is invested in Washington’s sustainable transportation systems and infrastructure.** In addition to the reinvestment mentioned above, the Port would also like to see rules that require some portion of funds be pooled and allocated to state and Port priorities such as:
 - Expanding transportation electrification including charging networks and clean vehicle incentive programs for taxis, Transportation Network Companies (TNCs), and drayage trucks,
 - Transit operating and capital expenses that can help with sustainable commuting for employees traveling to and from Port facilities,
 - Capital improvements to transit and active transportation facilities that can also provide sustainable mobility options.
- **Maritime-related credit revenue should be reinvested in-state and at the port or in the region where they were generated and be used for predetermined investments** that further environmental and air quality goals such as infrastructure, vessel replacements, local decarbonization projects, air quality improvements, carbon sequestration projects through habitat improvement, and advancing community environmental justice.
- **Allow electric credit generation from electric ground support equipment (eGSE) use at airports** using one universal energy economy ratio (EER) for all types of eGSE as is approved in Oregon.
- **Ensure that credit revenue directly supports investments in the infrastructure needed for decarbonization.** Ports are investing tens of millions of dollars in infrastructure to support Washington State goals and the Northwest Ports Clean Air Strategy. Also important is support for heavy duty vehicles, vessel replacements, and equipment where initial costs are significant barriers.

The Port also offers the following recommendations for program operation and/or rule implementation:

- **Provide an ambitious trajectory** to ensure that the carbon intensity of Washington fuels is reduced as fast as possible and in keeping with the requirements of the legislation.
- **Require that compliance obligations begin in the first year of the program.**
- **Allow credit generating projects to begin accruing credits on January 1, 2023.**
- **Create a default credit aggregator that captures credits for smaller entities as is done under California’s LCFS rules.** Reinvestment requirements should apply to the default credit aggregator as well.
- **Maintain the voluntary opt-in for sustainable aviation fuel (SAF) and ensure that Washington’s program is comparable to other West Coast States.** Mitigating aviation emissions is more expensive than alternative fuel options for on-road fuels such as renewable diesel, and SAF is the only commercially viable alternative at present for aviation.

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Thank you for your consideration of these comments. We will review the draft rule upon its release and provide additional in-depth comments at that time. If you have any questions, please contact our Senior Government Relations Manager Eric Ffitch, at (206) 369-4968 or ffitch.E@portseattle.org.

Sincerely,



Sandra Kilroy | Apr 22, 2022 12:31 PDT

Sandra Kilroy, Senior Director
Environment, Sustainability, and Engineering