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Washington Department of Ecology
15700 Dayton Ave N
Shoreline, WA 98133

RE: Chapter 173-424 WAC, Clean Fuels Program Rule, November 16, 2021 stakeholder meeting and Draft rule language

ChargePoint appreciates the Department of Ecology's (the Department) work on developing a Clean Fuels Standard (CFS) rule in Washington and the opportunity to participate in the rulemaking process. ChargePoint is a world leading electric vehicle (EV) charging network, providing scalable solutions for every charging scenario from home and multifamily to workplace, parking, hospitality, retail and transport fleets of all types. Today, one ChargePoint account provides access to hundreds of thousands of places to charge in North America and Europe. ChargePoint is a participant under California and Oregon's clean fuels standards and has collaborated in CFS rulemakings in California, Oregon, British Columbia, Canada, and Germany.

ChargePoint would like to provide the following comments in response to stakeholder discussion at the November 16, 2021 meeting and the proposed Draft rule language.

The Carbon Intensity (CI) Schedule and Investment

To meet Washington's short and long-term greenhouse gas (GHG) reduction goals, Washington must reduce emissions in the transportation sector, which in 2018 accounted for 45% of the state's total GHG emissions inventory.[1] To do this, significant investment is needed in new, low-carbon fuels, vehicles, and transportation infrastructure. Clean Fuels Standards have proven to be an effective means of generating private investment in low-carbon fuel and infrastructure, as evidenced by the $15+ billion in cumulative credit value transacted under California and Oregon's CFS program since 2013.[2] The clean fuels investments underlying these credit values have also led to new companies and jobs and increased competition and consumer choice in the transportation fuel sector. To accelerate and maximize similar investments in Washington, we encourage the Department to set steep carbon intensity (CI) targets early in the program and not postpone CI reductions until the latter half of the program. This will establish clear guidance and demand signals for the market to invest in low-carbon fuels and infrastructure early in the program which will avoid more GHGs and warming as long lasting GHGs are avoided earlier.[3]

Electricity Credit Generation: Non-Residential Charging

We believe that the Department's Draft rule language and hierarchy on non-residential EV charging credit generators will incentivize investment in charging infrastructure and satisfies CFS core principles for EV

[1] Washington State Greenhouse Gas Emissions Inventory: 1990-2018
[2] The actual dollar amount invested in clean fuels and infrastructure under these programs is likely higher
[33] CO2 has an atmospheric lifetime of 300 to 1,000 years (NASA)

charging (described below), and we support the current language to designate the owner or service provider of the electric charging equipment to act as the first fuel reporting entity and credit generator.

A key contributor to the investment and economic benefit under California and Oregon's CFS programs has been the market-based design at the core of a CFS, whereby the credit is the incentive that attracts investment in the supply of low-carbon fuel. By designating the fuel supplier as the credit generator, this incentivizes more investment in the supply of low-carbon fuel (or disincentivizes the supply of high-carbon fuels). In the case of EV charging, the critical investment is the provision and operation of the electric charging equipment.[4] As such, to maximize investment in electric charging equipment and accelerate the rate of EV adoption, ChargePoint advocates for the first fuel reporting entity for non-residential charging under CFSs to be the owner or network operator of the electric charging equipment. This places the credit closest to the provision of the low-carbon fuel infrastructure and allows those within the primary value chain to allocate the credit most efficiently to maximize the value of the credit to the parties involved. This also helps enable reporting and administrative efficiencies under the program. In the case where the owner or service provider of the electric charging equipment does not elect to report and the electric utility or a designated aggregator fulfills the responsibilities of credit generation, those secondary entities – who are not in the primary electric charging equipment value chain – should be required to invest credit proceeds back into transportation electrification. In the case where a utility is the owner/operator of the charging equipment, then the utility would be the first fuel reporting entity and credit generator.

Electricity Credit Generation: Residential Charging

On the residential side of EV charging and credit generation, the objective of the Department should be to incentivize the purchase of EVs in a way that benefits individual drivers and gets the credit proceeds from residential EV charging back into the market as quickly as possible. California's Clean Fuel Reward program is one model to consider, however, administrative and governance issues led to significant and costly delays in the program in the early years. Actual rebates remitted through the program have amounted to only a fraction of the estimated lifetime credit value generated from a single EV as well.[5] The Department should consider improvements to a vehicle rebate program funded via residential charging credits it may be considering, such as working with a green bank or other third-party capital provider, to provide more upfront value per EV and streamline the return of value.

Electricity Credit Generation: Multi-Family Charging

With regards to how charging at a multi-family housing location should be treated under the Washington CFS (residential vs. non-residential), we recommend the Department consider which approach would benefit multi-family housing residences/drivers the most by assessing the ability of drivers to have access to vehicle rebate programs and multi-family housing developers to be incentivized to install electric charging equipment for residences. We believe that where vehicle rebates exist, treating multi-family as non-residential maximizes benefits to this driver group because residences can apply for and receive vehicle rebates funded through single-family residential credits (or other programs) and multi-family housing developers are incentivized to invest in and install charging stations at multi-family housing units. This design lends itself better to the electrification of transportation network companies (TNCs) by enabling TNC stakeholders to plan for and leverage multi-family credits in electrification plans.

[4] The electric charging equipment is the charging hardware and networked communication software that together manages the supply of electricity to an EV

[5] The current maximum rebate under California's Clean Fuels Reward is $750 per vehicle, roughly 25% of the expected 10-year value of a single EV under the LCFS

Electricity Credit Generation: Capacity-based Credits

Finally, we would reiterate prior comments and encourage the Department to not delay the implementation of the capacity-based fast charging infrastructure crediting pathway and prioritize implementation in year one of the program. This pathway has proven extremely effective at de-risking and incentivizing investment in public fast charging infrastructure under California's CFS and would do the same under Washington's program. [6] We support the Department setting credit caps from this pathway (and other project-based pathways) to maintain balanced credit markets and would encourage the Department to look to how the California Air Resources Board (CARB) approached this in California.[7] When considering the cap, the Department should consider the twin goals of maintaining balanced credit markets and incentivizing investments in deep decarbonization.[8] With regards to stakeholder concerns that capacity-based credits will flood the credit market, consider that similar provisions under California's CFS have been in place for nearly three years without detrimental effect to the credit market (capacity-based credits made up less than 0.2% of total credits supplied in Q2 2021), and based on the size of each state's transportation fuel market, Washington's CFS will be roughly 20%[9] the size of California's, while Washington's current stock of direct current fast charging stations is only 10%[10] that of California, indicating that capacity-based credits will likely make up a disproportionately smaller share of total credits in Washington than in California.

Thank you for considering our input. We look forward to continuing to participate in rulemaking for this important policy.

Evan Neyland
Clean Fuels Manager
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[6] According to DOE data, since the FCI pathway was implemented under the CA LCFS in 2019, the number of public DCFC stations has increased by a factor of 6.5

[7] ChargePoint would be happy to discuss the mechanics of how this pathway works in California

[8] Electrification paired with 0-carbon electricity is the most likely way to achieve deep decarbonization in the transportation sector. To do this, public charging stations will need continued build out, and capacity-based credits are an extremely effective means of incentivizing this buildout

[9] EIA Table C8. Transportation Sector Energy Consumption Estimates (by State), 2019

[10] Alternative Fuels Data Center, Dec 21, 2021