



April 25, 2022

Rachel Assink, Rulemaking Lead  
Washington State Department of Ecology  
P.O. Box 47600  
Olympia, WA 98504-7600

Re: PPGA Comments on Chapter 173-424 WAC, Clean Fuels Program Rulemaking

Dear Ms. Assink:

Thank you for the opportunity to provide feedback on the Washington Department of Ecology (Ecology) draft Clean Fuels Program (CFP) from April 13, 2022.

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 companies engaged in the retail marketing of propane gas to Washingtonians. PPGA members provide propane to the residential, commercial, agricultural, transportation and industrial markets throughout Washington. Currently, users of propane have found value in propane's environmental benefits, versatility, and affordability.

The PPGA makes the following suggestions regarding the proposed CFP rule.

#### Fossil Propane used in Forklifts

The PPGA strongly supports the owner of the forklift fueling equipment having the first right to generate the credits in the CFP for fossil propane. The PPGA supports this change in the draft rule for the following reasons.

1. **Provides consistency with treatment of fossil propane that is dispensed for use in a motor fuel.** The current rule outlines when fossil propane is dispensed for use in a motor vehicle the person that is eligible to generate credits is the owner of the fueling equipment at the facility. The PPGA believes there are advantages for the CFP to having one regulatory structure and the clarity that brings, thus the PPGA supports that idea that for forklifts the owner of the fueling equipment have the first right to generate credits.
2. **The owner of the fueling equipment provides the best visibility for the use of propane as a forklift fuel.** To better encourage the use of cleaner fuels like propane in the forklift market we believe it is imperative the owner of the fueling equipment have first rights to the credits. While we understand the thought that providing the credit to the owner of the forklift will incentivize the adoption of propane forklifts our experience is that owners of the forklift are not primarily concerned with the CFP or credit generation. Successful transition to cleaner propane forklifts is typically driven by the propane

company. Ensuring that the propane company maintains the incentive is critical for CFP success.

- 3. More Efficient Reporting.** The PPGA believes the Ecology will receive more accurate and streamlined reporting information if the owner of the forklift fueling equipment has the first right to generate the credits in the CFP. Under this scenario there are fewer entities that are also more accustomed to reporting to administrative agencies like the DEQ. Additionally, having the forklift operator be eligible for first rights of credit generation increases the risk of double counting in the program. For example, an importer may be blending fossil propane (90%) and renewable propane (10%) and selling the (90/10) blended propane to a forklift operator. The importer may then claim 10% renewable propane credit, but the forklift operator may mistakenly account it as 100% fossil propane resulting in a double count of 10% of the gallons. Having the owner of the equipment having the first right to credit generation will avoid this situation.


### Ecology Should Include Tier 2 Pathways Already Certified in California or Oregon in Tier 1 Pathways

The PPGA believes that Ecology should include renewable propane as a Tier 1 alternative fuel pathway. We are concerned that including renewable propane as a Tier 2 alternative fuel pathway will slow innovation and adoption of renewable propane in Washington by delaying certification until 2025. Renewable propane has been certified and is currently producing important generating pathways in the marketplace in both California and Oregon. We do not see a benefit to Washington's CFP if renewable propane is not listed as a Tier 1 pathway fuel. Instead, delay will simply result in all renewable propane flowing to California and Oregon while Washington will not benefit from this low carbon alternative fuel.

Renewable propane is currently generated primarily as a co-product of renewable diesel. This fact means renewable propane relies on the same information and calculations to determine carbon intensity. We encourage the department to reconsider this classification and add renewable propane as a Tier 1 alternative fuel pathway.

Thank you for allowing us to share our feedback. We look forward to continuing to work on this important rule making process and providing additional comments in the future.

Sincerely,



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