

February 11, 2022

Department of Ecology
State of Washington
P.O. Box 47600
Olympia, WA 98504

RE: 3Degrees comments in response to January 27, 2022 Stakeholder Meeting on Washington Clean Fuels Program

Dear Debebe Dererie,

3Degrees Group Inc. (“3Degrees”) appreciates this opportunity to submit comments to Department of Ecology (“Ecology”) Staff on the forthcoming Clean Fuels Standard (CFS) rule.

We offer the following comments in response to the January 27, 2022 Stakeholder meeting.

Round 1 Comments

Comments on Multi-Family Charging

3Degrees continues to recommend adopting Oregon’s treatment of multi-family housing, which classifies the charging as non-residential and defines it as a structure that provides four or more living units and where the individual parking spaces and the charging equipment itself are not deeded or privately owned or by a single resident. Where these criteria are met, it is challenging to show a tie between the station and vehicle owner and therefore is most appropriately treated as non-residential charging.

Comments on Forklifts

For eForklifts, 3Degrees continues to recommend that the eligible credit generator be the charging equipment owner. This approach streamlines and reduces the complexity of reporting and credit generation. There tend to be fewer chargers than eForklifts. Chargers are also fixed in place and provide a more stable source of data for credit generation.

Registration

3Degrees recommends the following revisions to this section:

- Streamline the regulation such that the required information to register in Washington’s Fuels Reporting System (Section WAC 173-424-REG(1)(b)) only relates to information about the entity itself, and move any information related to fuel supply equipment to the details on registration of fueling supply equipment (FSE) (Section WAC 173-424-REG(1)(h)). As written, the rules could be interpreted to require that an entity update its registration in the program for any change to FSE registration. Implementing this change includes moving the following details out of section (1)(b):
 - (v)(B) details on the location and other details on dispensing facilities

- (vi)(B) details on location and other details on non-residential chargers. We also request that Ecology clarify in the next meeting why the estimated amount of electricity dispensed is needed for FSE registration of a charger.
- (vi)(C) details on vehicles and/or charging equipment
- Clarify that entities are not limited to reporting the fuels documented in the registration process (REG(1)(b)(iii)), and create a way for entities to update the fuels they are reporting without needing to update registration information.
- Clarify if related entities are precluded from having separate accounts in the Washington Fuels Reporting System (REG(1)(b)(iv)).
- In section WAC 173-424-REG(1)(h)(iii), we recommend the following revisions:
 - (F) For electric forklifts, we recommend revising the language to clarify if the FSE is the *facility* or the *location*. As there may be multiple facilities where electricity is dispensed at a specific location, it is not clear if this constitutes multiple FSEs. This confusion can lead to delays in reporting due to additional back-and-forth between Staff and applicants. For similar reasons, we also recommend defining “facility” to be clear on when multiple chargers constitute a single FSE or multiple FSEs that must be reported separately.
 - (G) For eTRU, we recommend that the fuel reporting entity be the charger, not the eTRU. Tracking each eTRU’s location and then apportioning credits by territory presents significant complexity.
- In section WAC 173-424-REG(1)(e), we believe the reference to “subsection (2)” should be updated to align with the Washington rule’s sections.

Recordkeeping

3Degrees requests that Ecology revise WAC 173-424-RK(9) to allow monitoring plans for compliance in Oregon to be used in addition to those from California’s program.

Specific reporting requirements

Electricity

3Degrees recommends that Ecology dedicate time in a workshop to a discussion on approaches to claiming a lower CI for electricity used as a transportation fuel than the utility-specific CI. The decisions made in Oregon and California around renewable electricity eligibility are quite different, with each aligning with specific state and program-specific policy objectives. Ecology should examine the CFS program objectives as well as the objectives of other programs in the state, and assess how renewable electricity eligibility rules could help the state achieve its overall climate goals and help meet the goals outlined in HB1091, including: support the deployment of clean transportation fuels technology, reduce levels of conventional air pollutants that are harmful to public health, reduce GHG emissions associated with transportation fuels, and create jobs and spur economic development of innovative clean fuel technologies.

We offer the following additional comments related to SRR(3), ‘Specific reporting parameters for electricity used as a transportation fuel’:

- We request that Ecology clarify what documentation would be needed to fulfill the requirements of SRR(3)(c)(ii)(A) to generate incremental credits from low-CI electricity.

- For SRR(3)(c)(ii)(B), we recommend that Ecology introduce a preferential order for entities eligible to generate incremental credits rather than nullifying credits if more than one entity seeks to generate credits.
- For SRR(3)(h), we recommend that Ecology align with California and Oregon for calculating electricity use in eForklifts. California and Oregon have established a methodology that incorporates measurements, industry standards, and ratings of charging equipment in order to reasonably estimate electricity consumption by forklifts.

3Degrees appreciates this opportunity to provide feedback and we look forward to continuing to work with Ecology on the development of the CFS program. Please reach out with any questions or for further discussion.

Sincerely,

/s/ Maya Kelty

Maya Kelty
Director, Regulatory Affairs
mkelty@3degrees.com
628.333.2679