



**Date:** November 19, 2021

**Subject:** Low-Carbon Fuel Standards (LCFS), Comments from Industry

**To:** Debebe Dererie, Rulemaking Lead, and Abbey Brown, Technical Lead Climate Policy Section, Washington State Department of Ecology

Dear Washington State Department of Ecology,

On behalf of the aviation and aerospace industry, sustainable aviation fuel (SAF) producers, and leading corporate travel purchasers, we offer these initial comments to you as you scope the rulemaking to implement Washington's new clean fuels program. We expect to have additional comments as the rulemaking proceeds, but because aviation is so economically important to Washington state, and SAF represents such an important element of making meaningful progress in the reduction of aircraft emissions (and in turn the reduction of our state's transportation emissions), we wanted to offer our shared point of view early in this process.

The aerospace industry is one of Washington's largest and most important industries, providing more than 100,000 jobs and connecting travelers and goods here locally and to the rest of the world. Demand for commercial aviation in our state has increased over the past decade and is expected to grow dramatically in years to come. The Puget Sound Regional Council projects that regional demand for take-offs and landings will double by 2050<sup>1</sup>, and the state legislature has established and tasked a Commercial Aviation Coordinating Commission with making recommendations to meet increased demand, including siting a new primary commercial aviation facility.

Industry partners have made bold commitments and taken important steps to decrease emissions from aviation, including the production and purchase of new and more efficient aircraft, piloting the use of SAF, improving operational efficiencies to reduce fuel-burn, investing in novel propulsion and other emerging technologies, and more. Local companies Boeing and Alaska Airlines are also partnering on the ecoDemonstrator program to test and evaluate new technologies that will help the industry further reduce emissions in the future. Deployment of new propulsion systems like electric and hydrogen

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<sup>1</sup> [Regional Aviation Baseline Study Final Report – Puget Sound Regional Council](#)

remain decades away from meaningful scale for commercial operators. Additionally, SAF will not become commercially viable without important policy incentives at the federal and state level. At the state level, the low carbon fuel standard's voluntary opt-in for SAF is an important policy and its successful implementation is critical to incentivize production in our state.

In order to remain competitive, meet demand, and support the industry's goals to reduce emissions, Washington must be at the forefront of supporting SAF commercial deployment. SAF is one of the few viable near-to-mid-term technologies available to significantly reduce aviation's climate impacts. These fuels are produced from sustainable resources, such as feedstocks and waste oils, and provide a 'drop-in' solution, able to be utilized in today's aircraft with no modifications to equipment required. Boeing and Alaska Airlines have been piloting the use of SAF in aircraft for more than a decade, and corporate customers like Microsoft have stepped up to offset the carbon impact of their employees' travel with SAF. In addition to reducing CO<sub>2</sub> emissions, SAF also contributes to local air quality improvements.

We have all observed the development of clean fuels markets on the rest of the west coast and note that sustainable aviation fuels have not taken off, despite being eligible for support in these markets. We believe the current opt-in scheme for aviation fuels in Washington is the correct policy choice, and that a sufficiently strong incentive is required to ensure SAFs are produced and available to use in Washington state.

To ensure the clean fuels program sends the right market signal sufficient to begin commercial scale adoption of SAF and help aviation decarbonize in Washington, we believe Ecology's rule should:

- **Establish credit prices comparably consistent to other regional clean fuels markets** on the west coast with the implementation of the program. If Washington's prices are far below other regional carbon markets, clean fuel suppliers will send SAF (and other clean fuels) where the policy support is stronger for low carbon fuels. Our aviation sector and our local communities will not see the benefits of SAF deployment in such a scenario.
- **Set an appropriate baseline for the carbon intensity of all fuels** serving Washington to arrive at a carbon intensity score for fossil fuels that accurately reflects the statewide mix of crude oil used in Washington, and periodically update that baseline. This will ensure that the program will accurately reflect the carbon reduction benefits of alternative fuels like SAF.
- **Fairly incentivize SAF.** As noted above, other clean fuels programs have lagged in facilitating SAF adoption because mitigating aviation emissions is more expensive than alternative fuel options for on-road fuels. However, aviation in Washington is a larger source of emissions and more significant as an industry in Washington than elsewhere on the west coast, and ensuring we retain a vibrant aviation sector and make early reductions in emissions possible is of extra importance here. Additionally, as the on-road sector accelerates its emission reductions with electric vehicles, aviation's contribution to the state's transportation emissions will increase significantly beyond 16% it currently contributes to. The clean fuels program should reflect added benefits for encouraging aviation to "opt in" so as to ensure SAF is produced and available to be used in Washington. The local co-benefits to impacted communities will also be significant from such a policy.

We look forward to working with you as the rule development proceeds. Thank you for considering our initial comments.

Sincerely,



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