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**VIA ELECTRONIC FILING**

Joel Creswell
Climate Policy Section Manager
Washington Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

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

Dear Mr. Creswell:

Bridge to Renewables, Inc. (BTR) is pleased to provide comments in response to the Draft Rule Language[1] presented by the Department of Ecology at the April 13, 2022, Stakeholder Meeting. Our comments address credit generation for residential electric vehicle (EV) charging and the use of Renewable Energy Certificates (RECs) for incremental credit generation.

## Draft Rule Language

In January, the Department presented three options for the generation and allocation of credits for residential EV charging under the Clean Fuels Program (CFP). BTR expressed its support for "Option 3: Utilities and OEMs share the credit," and we continue to support Option 3 as the most likely to maximize the beneficial impacts of the CFP.

While the proposal in the current Draft Rule Language provides a mechanism for automakers to generate credits for residential EV charging, we are concerned that in practice it will limit participation to a single major stakeholder group of electric utilities. Given the average carbon intensity of the electric grid, incremental credit generation will be severely limited, and the CFP as proposed by the Department is unlikely to provide a meaningful incentive to other stakeholders who are unable to participate in base credit generation. Alternatively, we believe a more diverse group of credit generators would result in broader EV infrastructure and consumer benefits under the CFP.

By example, in the initial years of the California Low Carbon Fuel Standard (LCFS) program, the LCFS similarly relied on a single major stakeholder group. In 2018, the California Air Resources Board (CARB) introduced EV automakers into the program by requiring metered charging data for incremental credit generation for residential EV charging.

For these reasons, we encourage the Department to revisit its recent draft proposal and to strongly consider implementation of Option 3. The Department could also provide for a

[1] https://ecology.wa.gov/DOE/files/e4/e4b11436-8669-485d-8939-05f5524bf0ff.pdf

reevaluation of this method after several years, to enable the Department to study if and how different stakeholders leverage the CFP and positively support its objectives. In short, we believe the Department will find that an inclusive approach will yield superior and advantageous results.

In lieu of reconsidering its proposal, we encourage the Department to establish the automakers as the priority incremental credit generator for residential EV charging (both metered and non-metered, should the Department provide mechanisms for both). We support the Department enabling the generation of incremental credits based on the difference between low-CI electricity and utility region-specific carbon intensity (CI) scores, rather than a statewide average. Automakers are capable of establishing the amount of residential EV charging that occurs in each specific region.

We also strongly recommend the Department eliminate certain proposed requirements imposed on the use of RECs for incremental credit generation, which would further diminish the proposed limited opportunity for automakers and others to generate incremental credits. We believe the addition of Green-e certification of a WREGIS-registered REC adds no additional value but will increase direct and administrative costs. We also recommend the Department eliminate the requirement that RECs must be generated by an electric generator that was placed into service after 2023. A limitation like this would create a prohibitively high barrier for market participants to generate incremental credits.

## Response to Concerns Raised by Stakeholders

Other stakeholders expressed concern to the Department regarding the interaction between the CFP program and the State's Zero Emission Vehicle (ZEV) standards, which will take effect in 2024 with the release of model 2025 vehicles.

BTR does not view these policies as "overlapping" or duplicative. Foremost, there is strong precedent for state and national policies to address greenhouse gas emission reductions through different requirements, incentives, and distinct programs. For example, Renewable Portfolio Standard (RPS) requirements in many states have been augmented by tax credit and property tax incentives for solar and wind energy development.

Second, ZEV standards do not provide a direct economic incentive to automakers to *sell vehicles*. This is an important distinction that the Department should consider. We believe the CFP program would provide automakers a strong incentive to sell electric vehicles in Washington, which in turn would accelerate the retirement and replacement of the legacy internal combustion engine vehicle stock to support and help accomplish the new ZEV goals.

## Support for Other Comments

We are aware of comments submitted by Audi of America and Rivian. BTR broadly supports the statements included in these comments, many of which are consistent with our comments and provide additional detail.

We appreciate our continued engagement with the Department during the informal comment process. If we can provide additional information to support these important efforts, please don't hesitate to contact me by email.

Respectfully,

Ashley P. Beaty
Vice President, Partnerships & Public Policy
BTR Energy