



the future forest company



April 25, 2022

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

RE: Comment on Chapter 173-424 WAC, Clean Fuels Program Rule

TO: State of Washington Department of Ecology

We are writing to provide our input regarding the April 13th internal draft Clean Fuels Program rule. This letter's signatories represent a range of interests from the emerging carbon removal ecosystem, including technology developers, grassroots advocates, and leading buyers of carbon removal.

In previous comments, members of our coalition made clear that carbon removal is a key strategy for reducing emissions in Washington, and that the Evergreen State is well positioned to be a national leader in growing the carbon removal ecosystem and achieving emissions reductions. The progress the Department of Ecology has made in developing the Clean Fuels Program is notable, and we appreciate the Department's thoughtful review of stakeholder input to date.

But we believe the rule needs to go farther when it comes to recognizing the important role carbon removal technologies will play in meeting emissions reductions targets in a comprehensive and affordable way. While we support the draft rule's inclusion of carbon capture and sequestration in the Tier-2 fuel pathway, we encourage the Department of Ecology to **expressly include a standalone pathway for innovative carbon removal technologies to contribute to the reduction of greenhouse gasses under the program.**

We believe that the Clean Fuels Program can most effectively achieve its stated goal of reducing greenhouse gas emissions associated with transportation fuels if the rule includes a credit generation pathway that can enable carbon removal technologies to draw down these emissions while not being coupled to the fuel's production. We further believe a stand-alone credit generation pathway for carbon removal is explicitly aligned with legislative intent. See RCW 70A.535.050.

There are a breadth of emerging carbon removal technologies that can support the objectives of the Clean Fuels Program if given the opportunity to participate in the market. The existing Tier-2 pathway, as currently drafted, however, will present significant barriers to the participation of these technologies. Allowing for credit generation through a carbon removal pathway that is not dependent on the production of fuel will greatly reduce transaction costs, increase transparency, and enable a more robust program.

Carbon removal will also provide a vital source of credits if the program is to achieve annual carbon reductions of 1.5% per year or greater. By creating this pathway now, Ecology can lay the groundwork for deep reductions in future years while still limiting the number of carbon removal credits as needed to stabilize the credit marketplace. However, delaying this pathway indefinitely may result in a credit shortage and require Ecology to rush the creation of a standalone carbon removal pathway without the time and consideration it requires.

We understand that the Department of Ecology is working quickly to incorporate stakeholder feedback, and that development of new pathways can be complex. Should the Department decide not to include a specific pathway for CDR, we suggest that at a minimum the Department formally commit to establishing such a pathway during the first review of the rule.

We appreciate your consideration of these comments as well as your continued work in developing Washington's Clean Fuels Program.

Sincerely,

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Stripe

Jim Mann, Co-Founder and CEO
The Future Forest Company

Peter Reinhardt, Co-Founder and CEO
Charm Industrial

Rahul Shendure, CEO
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Edward Muller, CEO
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Adam Wolf, Founder and CEO
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