



April 25, 2022

Abbey Brown  
Rachel Assink  
Clean Fuels Program  
Washington State Department of Ecology

Dear Ms. Assink and Ms. Brown:

On behalf of SkyNRG, thank you for the opportunity to provide comments and participate in the Department of Ecology Clean Fuels Program Rule. SkyNRG supports efforts to incorporate Sustainable Aviation Fuel (SAF) into the aviation industry as a strategy to reduce carbon emissions and improve air quality in Washington.

The Aerospace industry plays a significant role in Washington. It is a \$70 billion industry and supports more than 250,000 jobs.<sup>1</sup> Additionally, numerous major companies that have significant distribution needs are based in Washington, such as Amazon and Microsoft. According to Ecology's 2018 inventory, aviation emissions comprise 10% of Washington's total greenhouse gas emissions, a more significant percentage than in other jurisdictions that have implemented clean fuels policy. This percentage is set to increase over time as measures to reduce emissions from other sectors such as road transport which can readily be electrified rapidly transition to lower emission technologies. The significance of the aviation industry in Washington adds to SkyNRG's conviction that the Department of Ecology should include policy directly related to SAF in the initial Clean Fuels Program Rule.

SAF has the potential to reduce emissions from aviation by 80% or more, especially when considering the potential of Washington state sources of feedstocks such as biogas used to produce SAF. As stated in our previous comments, SAF will not become commercially viable in Washington without important policy incentives. At the state level, including SAF as an opt-in fuel in the initial Clean Fuels Program and its successful implementation is critical to incentivizing production and use in Washington.

SkyNRG strongly recommends Ecology set the baseline for aviation fuel at the same level as the diesel baseline. It costs more to produce SAF than to produce renewable diesel, using similar processes. If the economics from the state Clean Fuels Program create a lower value for SAF than that for biomass-based diesel, sustainable fuel producers will simply make biomass-based diesel instead of SAF due to financial constraints imposed by the Clean Fuels Program structure. It is critically important for Ecology to recognize that the other alternative pathways for reducing on-road emissions such as electrification are becoming increasingly prominent, but

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<sup>1</sup> [Washington's aerospace industry - A century of know-how, innovation and leadership. \(choosewashingtonstate.com\)](http://www.choosewashingtonstate.com)

there are no other viable alternatives for aviation emission reductions. This is critically important since aviation is one of the most challenging transportation sectors to decarbonize in the next two to three decades. Setting the baseline appropriately will ensure producers are not disincentivized to produce SAF.

Ecology should further take the next step to incentivize SAF. There is room for Washington to improve upon the Low Carbon Fuel Standard (LCFS) example set by California and Oregon. To ensure that the Clean Fuels Program effectively incentivizes SAF in the aviation sector and creates an opportunity to begin commercial scale adoption of SAF in the state, we recommend that the rule include a multiplier for SAF credits. Such a policy would be consistent with the European Union's renewable energy directive.<sup>2</sup>

We believe that multipliers will be beneficial for the following reasons:

- A multiplier of 1.3 or higher will provide an incentive for the aviation industry to use SAF as the associated credit will be higher
- The increased demand for SAF will provide the impetus for the SAF industry to invest in technological advancement and expansion in the state
- Multipliers will not add additional cost to the Department of Ecology or to the clean fuels program

We acknowledge that this approach would mean the overall program could have less fuel replacement. However, given the nascency of the SAF market, we believe that in the short term this solution will stimulate fuel use effectively and accelerate the potential for in-state production facilities to be built out. It can also be a provisional measure with incentives declining over time as the volume of fuels used increases. To combat this potential effect, we recommend that the multiplier for SAF be stepped down over several years and based on milestones as SAF volumes enter the market in significant quantities.

Thank you again for the opportunity to offer comments on the Clean Fuels Program. We look forward to working with the Department of Ecology to make the clean fuels program a success.

Sincerely,

Amy Malaki  
Director Partnerships and Policy  
SkyNRG

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<sup>2</sup> [An assessment of the policy options for driving sustainable aviation fuels in the European Union \(theicct.org\)](https://theicct.org/)