

bp America Inc.

Please find bp comments relating to workshop #4 of Washington Clean Fuels Program Rule. Thank you.



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March 31, 2022

Washington Department of Ecology
VIA Website upload
<https://aq.ecology.commentinput.com/?id=DpgZ3>

**Re: Rulemaking Stakeholder Meeting; Clean Fuels Program Rule Chapter 173-424 WAC –
March 15, 2022**

Dear Department of Ecology Staff:

On behalf of bp America Inc., thank you for the opportunity to participate in the Washington Department of Ecology (“Ecology”) rulemaking on the Clean Fuels Program (“CFP”). bp’s ambition is to become a net zero company by 2050 or sooner, and to help the world reach net zero, too. Consistent with this ambition, we are actively advocating for policies that address greenhouse gas (“GHG”) emissions.

Following the stakeholder meeting of March 15, 2022, bp wishes to provide the following feedback to Ecology during this Informal Public Comment Period.

Alternative Jet Fuel (“AJF”)

With respect to the review of comments received and the follow-up discussion that ensued, bp highlights its support for a regulatory design that encourages the scaling up and commercialization of AJF. bp supports the comments made by Airlines for America (“A4A”) in their letter dated January 24, 2022¹ that formed the basis of the follow-up discussion during the meeting and encourages Ecology to take these comments into account as the rule is developed and finalized. Specifically, bp shares A4A’s positions that the CFP should: (1) set out a broad programmatic exemption for all aircraft fuels and allow AJF to generate CFP credits; (2) measure AJF against the carbon intensity benchmark for diesel instead of creating a separate benchmark; and (3) base the definition of AJF on the definition of the term in Oregon’s Clean Fuels Program.

¹ <https://aq.ecology.commentinput.com/comment/extra?id=DpgZ3#>

Carbon Life Cycle Pathway Methodology

We support using the best science available to create a carbon life cycle pathway methodology. However, this needs to be coordinated with other west coast low carbon fuel standard jurisdictions, particularly if there is a desire to adopt a streamlined approach that avoids duplicative effort for pathway submissions to multiple jurisdictions. Streamlining pathway approvals would not only help regulated entities, but also would reduce Ecology's administrative burden.

Indirect Land Use Change ("ILUC") Recommendations

On slide 75 of the March 15th presentation deck, Ecology put forward Life Cycle Associates' recommendations for ILUC values to be used for crop-based feedstocks. bp welcomes the inclusion of the cover crop carinata within the table of recommended values. However, we would urge further consultation on the recommended ILUC value, with a view to bring it in line with the International Civil Aviation Organization's "Carbon Offsetting and Reduction Scheme for International Aviation" modeling framework, using the GTAP-BIO-ADV modeling methodology.

Carbon Intensity Standards

During the conversations on the draft Carbon Intensity Standards, Ecology presented a proposal to require an additional 10% carbon intensity reduction in 2034 as opposed to the expected approach of an additional 2% annual reduction from 2034 through 2038. While we support accelerating GHG reduction where possible, we believe attempting to cut carbon intensities from 10% to 20% in one year is impractical, as it would most likely lead to major credit liquidity issues within the program. Taking the 2% per annum approach allows time for technology advancements, zero emission vehicle adoption, and the development of regulatory certainty in the credit market. The most likely outcome of an incremental 10% reduction in 2034 is that cost containment mechanisms will be triggered, and regulatory uncertainty will ensue. As such, bp recommends that Ecology adopt Option 1: 2% reduction/year during 2034-2038, as described in slide 81 of the presentation deck.

We thank you for the opportunity to comment on these important topics and we look forward to working with DEQ and key stakeholders through the CFP rulemaking process. In the meantime, do not hesitate to reach out to me at mark.bunch@bp.com or 708-228-6093 if you have any questions or need additional context.

Sincerely,



Mark Bunch