

# Amazon

Debebe and Abbey,

On behalf of Amazon, thank you for the opportunity to offer comments on the ongoing rulemaking to implement Washington's Clean Fuels Program. Amazon was a proud supporter of the legislation to enact a clean fuels program (CFP) in order to reduce carbon emissions from transportation fuels, the largest source of emissions in the state and the country. We believe that a CFP is a cost-effective strategy to accelerate the transition to lower carbon vehicles and fuels for consumers and companies.

In 2019, Amazon co-founded The Climate Pledge, a commitment to be net-zero carbon by 2040—10 years ahead of the Paris Agreement. Since then, more than 200 major companies have joined us in this pledge. We also established a "Shipment Zero" goal to make all Amazon shipments net-zero carbon, with 50% of shipments net zero carbon by 2030. In support of this goal, Amazon ordered 100,000 new electric delivery vehicles from Rivian, a U.S. electric vehicle (EV) manufacturer, which we are already beginning to deploy. We are also expanding our use of electric cargo bikes in U.S. cities. In July 2020, Amazon Air secured up to six million gallons of sustainable aviation fuel (SAF), and we are prioritizing sustainability by bringing SAF into our North American air operations.

Based on our experience with the California Low Carbon Fuel Standard program, we would like to respectfully submit the following comments and ideas as you develop the Washington state CFP.

1. Allow Virtual PPAs or RECs to Green the Power Supply of Process Energy. While the California program allows virtual power purchase agreements (PPAs) or renewable energy certificates (RECs) to green the power supply for various end use cases, it does not allow similar book-and-claim methods to be used for process energy. "Process energy", in the context of hydrogen, is energy that is used to compress or liquify gaseous hydrogen. Recognizing virtual PPAs or RECS for "process energy" would enable hydrogen development, decrease the carbon intensity of liquid or compressed green hydrogen and increase its competitive value.

2. Define Additional Pathways. Some emerging use cases for battery-powered electric-vehicle-charging use electricity not supplied from the power grid, but supplied from fuel cells or other on-site power generators consuming low carbon intensity (CI) hydrogen or other renewable fuels. We are currently working through the process of recognizing various pathways for hydrogen in the California program, and we support defining those pathways up front in the Washington program.

3. Recognize On-site Stationary Power Generation. We support capacity crediting for infrastructure which can motivate construction in preparation for future demand. On-site hydrogen, battery storage, and other renewable power generation can also be used to displace diesel and natural gas for non-transportation uses like buildings. Crediting equipment fully or partially for these benefits reduces the overall cost of this beneficial infrastructure and further promotes its deployment.

4. Adopt Simple Reporting Tools and Templates. To accelerate Zero Emission Vehicle (ZEV) adoption and increase participation in the CFP, we favor a simple reporting process and exemption for ZEV fuel transactions from the third-party verification requirements.

5. New Crediting Opportunities. Like California, we encourage you to include flexibility to add Energy Efficiency Ratio (EER) values for crediting new zero emission vehicles and equipment. In addition to on-road vehicles, we encourage the Department to follow the California rule in recognizing off-road mobile vehicles, including forklifts that operate in warehouses.

6. Credit Generation Prioritization. We believe hydrogen forklift owners should be given priority, not the operator. We encourage you to allow designated entities under 'priority two' for hydrogen fueling, like in California. We also request that clarity is provided when some categories list two or more different entities in order to avoid conflicting claims or possible stranded unclaimed credits.

7. Carbon Intensity Reductions. We support requiring the maximum allowable percentage reductions in carbon intensity (CI) through 2028 in your rulemaking. This will send the necessary signal to promote development and deployment of low carbon fuels in Washington.

8. Sustainable Aviation Fuel (SAF). We encourage you to promote SAF deployment by allowing book-and-claim accounting for SAF credit generation.

9. Renewable Natural Gas. We recommend using a reasonable standard for land-use change considerations and the ability to generate credits from the use of Renewable Natural Gas (RNG).

10. Electric Vehicles and Utilities. EV manufacturers should be able to pass along credit value to customers. Electric utilities should have a simple process to pass-through credit value to customers and should, to the extent possible, set aside a portion of CFP revenue spending on medium duty/heavy duty vehicles, grid capacity upgrades, and partnerships with fleets.

We welcome the opportunity to discuss these ideas with you in greater depth. We would like to participate in any stakeholder advisory groups, and we look forward to continued collaboration to achieve our shared goals to drive climate progress and economic growth.