WA Department of Ecology
Clean Fuels Program
State of Washington
P.O. Box 476o0
Olympia, WA 98504

April 25th, 2022

RE: Smart Charging Technologies LLC Comments on proposed Clean Fuels Program (Ch. 173-424 WAC)

Smart Charging Technologies LLC ("SCT") appreciates Department of Ecology Staff's commitment to well-organized stakeholder meetings with ample opportunities for public input. We look forward to further discussion during upcoming workshops.

1. Pg 13: WAC 173-424-220 Designation of Fuel Reporting Entity for Electricity

(5) Electric forklifts
"(a) For electricity used as transportation fuel supplied to electric forklifts, the fleet owner is the fuel reporting entity and the credit generator ~~creditor~~. The forklift owner must notify in writing to the forklift operator that the owner operator generating credit for the amount of electricity used in the forklifts."

Comment: The part highlighted in purple is making the rule unclear. We advocate again for the operator or charging equipment owner to be the fuel reporting entity. We see obvious drawbacks to giving the first right to generate credits to the forklift owner. It is prone to potential conflicts due to multiple claims for the same charging. In case of eForklifts operating at a certain facility, these forklifts may have different owners, where they may be owned by a fleet owner, rented, or leased by the fleet operator. In case where the rental fleet owner has already registered some of his forklifts at the facility, the fleet operator will have difficulty registering forklifts at the facility, and it requires verification to ensure the rentals are not reported twice. While this could be resolved in the lease contract, these leases, commonly, do not reference credit generation and they run for several forward years. In such case, it would be difficult to manage how to report the electricity used by each eForklift. Having the fleet operator (or electric-charging equipment owner) report the electricity consumed by all forklifts will simplify the issue and will ensure smooth and no duplicated reporting.

2. Pg 82: WAC 173-424-CCD Calculating Credits and Deficits

(2) Calculation method for fixed guideway vehicles and electric forklifts. For electricity used to power fixed guideway vehicles on track placed in service prior to 2023 and forklifts from model year 2023 and earlier[DD74], credit and deficit generation must be calculated by:

Comment: This (prior to 2023), excludes fixed Guideway and electric forklifts placed in service prior to 2023 from the EER multiplier, this means a smaller number of credits (FG EER ~3, FL EER 3.8). This is very restricting compared to LCFS (prior 2011) and CFP (FG prior 2012, FL prior 2016). We understand the goal of additionality in this regard. But we also think that it is equally important to incentivize equipment owners, by allowing the use of the EER multiplier for older equipment to generate more credits, making it less costly to buy newer ones. We advocate to be more in line with LCFS and CFP.

3. WAC 173-424-DCIE Determining the Carbon Intensity of Electricity

(5) Offsite renewable electricity. In order to lower the carbon intensity of electricity claimed as a vehicle fuel in the Clean Fuels Program, credit generators and aggregators may retire renewable electricity certificates that meet the following qualifications:
(b) RECs must be generated by an electric generator that was placed into service after 2023, or in the case of biogas generators they must meet the new date requirements of the Green-e Standard;[DD60]

Comment: This is limiting the pool of facilities that we can buy RECs from, making it more expensive to buy RECs to retire, causing the cost of low-CI electricity to increase. We advocate either**:**

a. having a grace period of 3 years to provide the needed time for projects under development to complete. During this period, the program allows for RECs from generators placed into service after 2015. After the grace period, the program reverts to acquiring RECs from generators placed into service after 2023, or
b. having the rule be more in line with Oregon CFP (after 2015).

Thank you very much for your time and consideration as you review these comments. We welcome the opportunity for further clarification and discussion of our comments.

Best Regards,

Khalid Rustom, PhD.
General Manager, Energy Program