

bp America Inc.

Ecology team, please find bp comments relating to rulemaking workshop #5. Best wishes, Mark Bunch



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April 22, 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 – April 13, 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 April 13, 2022, bp wishes to provide the following feedback to Ecology during this Informal Public Comment Period.

Alternative Jet Fuel (“AJF”)

Building on our prior comments¹ the State of Washington should encourage production and usage of AJF within the state by offering incentives within the CFP. Aviation is costlier to decarbonize than road transportation and has fewer readily available options. Furthermore, there is insufficient federal regulation currently in place to support the decarbonization needed.

Currently, renewable diesel commands a higher unit value than AJF, so there is incentive to produce renewable diesel instead of AJF. In many cases AJF requires an additional

¹ https://scs-public.s3-us-gov-west-1.amazonaws.com/env_production/oid100/did1008/pid_202037/assets/merged/030ti6k_document.pdf?v=FNVGWP2Y8

production step and is therefore more expensive to produce than renewable diesel. Without additional incentives built into the CFP to encourage the production and use of AJF, this situation will not change.

In slides 11, 12 and 26 of the workshop presentation² the International Council on Clean Transportation (ICCT) recommends using a jet fuel baseline for opt-in AJF credit generation instead of a diesel baseline. We believe this would be a disincentive for early AJF adoption as it offers significantly less credit generating opportunity for renewable molecules in AJF than if deployed in ground transportation bio-distillates. bp recommends that Ecology adopt a diesel baseline for AJF credit generation as a way to encourage AJF adoption within the state.

Indirect Land Use Change (“ILUC”) Recommendations

Regarding the ICCT recommendations for cover crops, the ICCT presenter commented on issues and recommendations related to cover crops in general, whereas the table presented in slide 20 of the workshop presentation³ specifically referred to carinata, to which the ICCT comments were less relevant. Additionally, we believe that this table was incorrect in its reference to the carinata ILUC as the GLOBIOM data referenced in Table 79 of the Carbon Offsetting and Reduction Scheme for International Aviation (“CORSIA”) document entitled “Eligible Fuels – Life Cycle Assessment Methodology”⁴ was missing. bp also supports the oral comments made by Mr. Glenn Johnston of Nuseed during the Q&A section of the April 13, 2022 stakeholder meeting.

Draft Rule⁵

Book-and-Claim Accounting

The draft rule refers to the book-and-claim accounting methodology for biomethane in the Recordkeeping section and to feedstocks in the Specified Source Feedstocks section. This is limited in scope. We urge Ecology to more broadly apply the book-and-claim accounting methodology, or risk reducing access to the environmental attributes of clean fuels that could otherwise qualify for the CFP. Book-and-claim accounting could be applied to co-processed renewable diesel, co-processed renewable naphtha, AJF, hydrogen, and a broader range of biomethane applications than direct to transport.

² <https://ecology.wa.gov/DOE/files/5c/5c56e5bb-325e-495e-9629-7d17c6f1a4ad.pdf>

³ <https://ecology.wa.gov/DOE/files/5c/5c56e5bb-325e-495e-9629-7d17c6f1a4ad.pdf>

⁴ https://www.icao.int/environmental-protection/CORSIA/Documents/CORSIA_Supporting_Document_CORSIA%20Eligible%20Fuels_LCA_Methodology_V4.pdf

⁵ <https://ecology.wa.gov/DOE/files/e4/e4b11436-8669-485d-8939-05f5524bf0ff.pdf>

Project-Based Crediting

Also absent in the draft rule is any provision for project-based crediting, such as those referenced under section 6(a) of HB1091⁶. We believe Ecology should add such provisions to the draft rule because stakeholders need regulatory certainty to evaluate whether to invest in capital-intensive projects with long lead times. Renewable hydrogen and refinery improvement projects are of particular interest to Washington-based refineries, particularly with a Cap and Invest program being introduced at the same time as the CFP.

Tier 2 Pathways

Section WAC 173-424-CI (5)(b) Tier 2 states that "Ecology will start accepting Tier 2 applications on July 1st, 2025." Is it Ecology's intention that no clean fuels requiring Tier 2 pathways will be permitted until applications are accepted and approved in the second half of 2025, or will legacy pathways that have been approved by California or Oregon be able to qualify from the commencement date of the CFP? We believe existing Tier 2 pathways from California or Oregon should be able to be used as the basis to qualify for the CFP as soon as the program commences.

Thank you for the opportunity to comment on these important topics. We look forward to working with Ecology 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.

Sincerely,



Mark Bunch

⁶ [1091-S3.SL.pdf \(wa.gov\)](#)