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March 25, 2022

Washington State Department of Ecology
300 Desmond Dr. SE
Lacey, WA 98503

Via Public Comment Form @ecology.wa.gov

Re: Chapter 173-424 WAC, Clean Fuels Program Rule - Comments of Avista Utilities

Avista Utilities appreciates the opportunity to provide initial comments on the rulemaking for the Clean Fuels Program under chapter 173-424 WAC.

Avista Utilities is an electric and natural gas service provider based in Spokane. We serve nearly 400,000 electric customers and 365,000 natural gas customers in Washington, Idaho and Oregon.

Avista has developed a comprehensive transportation electrification plan in its Washington service area, through which our utility acts as an electric vehicle supply equipment developer and operator, as well a fuel provider. We also work to provide our customers with electrified transportation solutions to meet their transportation needs, including EV charging services, transportation support for low-income service agencies, and, most recently, electrification of transit services, as well as various education and outreach activities. Avista's efforts are guided by our learnings from a three-year pilot project, during which we invested more than \$3 million in EV infrastructure in our service area, including the installation of nearly 450 charging ports. Details on Avista's programs and other information, including links to the Transportation Electrification Plan and the Pilot Report, may be accessed at www.myavista.com/transportation.

Our transportation electrification plan calls for the installation of hundreds of additional charging outlets and investments in our infrastructure at strategic locations to meet projected load growth resulting, in part, from the conversion to alternative fuels in the transportation sector.

It's worth noting that Avista Utilities offers a strong starting point for achieving economy-wide emission reductions. According to [a 2021 report](#) by the Natural Resources Defense Council, Avista is one of the cleanest investor-owned utilities in the country. We are on track to deliver 100 percent carbon-neutral electricity to Washington customers by 2030, as required under

Washington law, and have established a company goal of achieving carbon neutrality across our multi-state electric system by 2027.

We offer the following comments on this rulemaking:

1. Avista's position on the assignment of credits for residential charging is consistent with Option 1 of the residential EV charging credit options outlined in Ecology's January 27 meeting presentation. Utilities should receive all base and incremental credits associated with residential charging. This should include charging at multi-family housing. Additionally, separate metering should not be required for residential charging. Such a requirement would be impractical and add unnecessary cost to customers who own or are aspiring to own an electric vehicle (EV). It would serve as a financial barrier to EV uptake, which is contrary to the goals of the clean fuels program. There is ample modeling and statistical data to calculate within reasonable accuracy the volume of clean fuel being delivered and the assignment of credits for residential EV charging. Additionally, Avista and other utilities will be performing data gathering as part of their transportation electrification activities. Avista will submit annual reports to the Utilities and Transportation Commission summarizing charging activities, EV adoption trends and load impacts. This data will be available and provide value for Ecology's administration and oversight of the clean fuels program.
2. The assignment of credits for non-residential EV charging may require a formula for credit sharing between the utility and the owner of the EV charging infrastructure or provide the opportunity for the charger owner to assign its credits to the utility. In instances where the utility is the owner of the EV charging infrastructure, the utility should have first rights to all clean fuel credits.
3. Electric utilities are uniquely positioned to achieve the goal of the state's clean fuels program to "support the deployment of clean transportation fuel technologies," "(r)educe levels of conventional air pollutants from diesel and gasoline," and "(r)educe greenhouse gas emissions associated with transportation fuels." The law establishes a crediting system for reducing the carbon intensity of transportation fuels. Avista, and Washington's other clean electric utilities, generate and deliver the cleanest fuels for the transformation and decarbonization of the transportation sector. We are the fuel providers best equipped to effectuate the benefits of the clean fuels program.
4. The law recognizes the innovation and expertise of electric utilities to meet the goals of the clean fuels program. RCW 70A.535.080 prescribes how electric utilities earning credits under the program shall reinvest monetized credits to achieve outcomes. It is the only sector that is required to do so. No other credit generators are required to reinvest their proceeds in Washington.
5. Electric utility credit revenues will augment their investments to prepare for and promote adoption of clean vehicles. This includes support for programs integrating charging with the grid during off-peak hours, thereby further minimizing grid impacts, costs and emissions, which benefits all customers. We are also supporting electrification of public transit, transportation services utilized by community-based organizations, and innovative

micro-mobility and shared transportation programs serving low-income and highly impacted communities.

6. Utility CFS credit revenues will broadly promote and support clean transportation through investments in charging infrastructure, grid integration, education and outreach, and electric transportation entry points for under-served communities. Avista supports commencement of the clean fuels program in 2023. Through our strong relationships with customers and community leaders, we stand ready and are well-positioned to leverage effective programs supporting transportation electrification in the effort to provide affordable and reliable clean transportation systems available to all.

We appreciate the opportunity to offer comments on this draft rule and look forward to continued engagement in this rulemaking.

Sincerely,

/s/ Rendall Farley

Rendall Farley
Manager, Electric Transportation
Avista Corp.