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Submitted Via Email and Upload: <https://aq.ecology.commentinput.com/?id=DpgZ3>

Rachel Assink
Rulemaking Lead
Washington State Department of Ecology
P.O. Box 47600, Olympia, WA 98504-7600

Re: Informal Public Comment Period for Chapter 173-424 WAC, Clean Fuels Program Rule
Comments from Delta Air Lines

Dear Ms. Assink:

On behalf of Delta Air Lines (“Delta”), we appreciate the opportunity to submit comments on the Washington State Department of Ecology’s (“Ecology’s”) preliminary draft rules to implement the Clean Fuels Program (“CFP”). Delta has announced its intention to set science-based targets in alignment with the Paris Agreement through the Science Based Targets Initiative, including a medium-term emissions intensity target and a long-term target of net zero emissions by 2050 as part of the United Nations Race to Zero – Business Ambition for 1.5° C campaign. Lower carbon fuels, in particular Sustainable Aviation Fuel, which is also commonly referred to as Alternative Jet Fuel (“AJF”), is critical to our efforts to reduce our carbon intensity and our longer term decarbonization efforts. We have a goal to replace 10% of our conventional jet fuel use globally with AJF by 2030. We anticipate that this goal will require more than 400 million gallons of AJF on an annual basis. Consequently, we are supportive of Washington’s enactment of CFP legislation, which includes an opt-in provision for AJF, and we are supportive of Ecology’s efforts to implement the program as soon as possible. Delta believes that these efforts are critical to establish the incentives necessary to develop and scale the AJF market.

As Ecology considers whether and how to revise its preliminary draft rules for purposes of the official proposal, we hope that it will consider the following recommendations to provide the clearest and strongest incentives for AJF development under this program.

Exemption of all Aircraft Fuel and AJF Credit Generation

The Washington CFP statute specially exempts all fuels used in aircraft. The statute also provides an opt-in provision for AJF. Ecology’s preliminary draft rules, however, make AJF “subject to” the CFP and list AJF as an opt-in fuel, and conventional jet fuel as exempt. We are concerned that this regulatory structure could create unnecessary confusion around the AJF opt-in and therefore potentially inhibit participation and the ultimate success of the program. In this regard, we support A4A’s comments requesting that Ecology exempt all aircraft fuel and include only an opt-in credit-

generating provision under the CFP.¹ We urge Ecology to make this revision to the preliminary draft rule language prior to the formal public notice and comment period.

Carbon Intensity Benchmarks

The preliminary draft rules establish carbon intensity benchmarks for: (1) gasoline and its substitutes, (2) diesel fuel and its substitutes, and (3) AJF “or jet fuel substitutes.” The carbon intensity benchmarks in the preliminary draft rule language are inconsistent with the CFP’s statutory language. The statute does not contemplate a separate carbon intensity benchmark for AJF. Delta recommends that Ecology measure AJF against the carbon intensity benchmark for diesel instead of creating a separate benchmark. This proposed approach will put AJF on a level playing field with renewable diesel, make Washington’s CFP more consistent with California and Oregon’s clean fuels programs, and provide a stronger incentive for AJF development.

Defining AJF to Include Co-Processing

Co-processing is important in the early phase of lower carbon fuel development because it allows the use of existing refining and pipeline infrastructure. It enables and incentivizes immediate production of AJF, which will be necessary as AJF-specific production facilities are developed and permitted.

Ecology did not provide a draft definition section during the Stakeholder meetings, but Delta recommends that Ecology define AJF in the same manner as [Oregon’s Clean Fuels Program](#).² More specifically, we recommend that Ecology explicitly include in the definition AJF fuels “derived from co-processed feedstocks at a conventional petroleum refinery.” Inclusion of this language in the definition will allow parties to take advantage of Washington’s current infrastructure to begin production of AJF, while the broader market develops.

Early Certification for AJF Credit Generation

The airline industry needs strong incentives as soon as possible for AJF production in order to expand the AJF market and drive innovation to support decarbonization of our hard-to-abate sector. The draft certification process for AJF, however, could unnecessarily delay the State’s incentives. In the draft, AJF producers would be required to submit a Tier 2 pathway application, and it appears that Tier 2 pathway applications would not be accepted until July 1, 2025. Delaying the certification until 2025 would slow innovation and adoption of lower carbon fuels in the state of Washington. Delta urges Ecology to allow for immediate AJF credit generation and asks Ecology to revise the preliminary draft rule language to provide for early certification.

¹ https://scs-public.s3-us-gov-west-1.amazonaws.com/env_production/oid100/did1008/pid_202037/assets/merged/ow0ki9t_document.pdf?v=FWJ4HT7UR

² Oregon defines “Alternative Jet Fuel” to mean “a fuel, made from petroleum or non-petroleum sources, which can be blended and used with conventional petroleum jet fuels without the need to modify aircraft engines and existing fuel distribution infrastructure. The fuel must have a lower carbon intensity than the applicable annual standard under Table 3 under OAR 340-253-8010. This includes alternative jet fuel derived from co-processed feedstocks at a conventional petroleum refinery.”

Credit Generation for Electric Ground Support Vehicle and Equipment Conversion

Electrification of ground support vehicles and equipment (“GSE”) is part of a global effort toward cleaner airport transportation. The environmental benefits of transitioning to electric GSE are significant because it leads to reduced fuel consumption and improved air quality. Many in the airline industry, including Delta, are in the process of converting their GSE from gasoline and diesel to electric. We recommend that Ecology allow GSE fleet owners to apply for credits, including advance credits, to help support and accelerate the pace of the electric GSE conversion process.

Again, we appreciate the opportunity to participate in this informal rulemaking process. We support Ecology’s efforts to implement this important program. We are especially supportive of the AJF opt-in provisions, which will spur the development of the AJF market and help us bring it to scale. This program will play an important role in allowing Delta, and the rest of the airline industry, to meet our ambitious climate-related goals. If you have any questions about these comments, please feel free to contact me directly.

Sincerely,

Dana Debel

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Managing Director
Government Affairs