



Jessica Spiegel

Senior Director, Northwest Region

November 20, 2021

Submitted via email: debebe.dererie@ecy.wa.gov

Debebe Dererie
Environmental Planner Rulemaking Lead
Washington Department of Ecology
300 Desmond Drive SE
Lacey, WA 98503

Re: WSPA Comments regarding Washington Clean Fuels Program Rule Stakeholder Meeting

Dear Debebe Dererie:

Western States Petroleum Association (WSPA) is a non-profit trade association that represents companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas, and other energy supplies in Oregon and four other western states. WSPA appreciates the opportunity to provide the Washington Department of Ecology (Ecology) with initial comments on the October 6, 2021, Washington Clean Fuels Program (CFP) Rule Chapter 173-424 WAC Stakeholder Meeting.

It is our understanding that the October 6th stakeholder meeting (via webinar) was the first of four such sessions (tentatively scheduled through February 2022) and served as the opening date of an informal public comment period which will extend through April 10, 2022.

The purpose of this letter is to provide Ecology with initial WSPA comments on the proposed Washington CFP Rule, based on information provided by Ecology staff during the October 6th stakeholder meeting. As the rule development phase continues, WSPA is committed to participating in the Ecology process, and would welcome the opportunity to introduce ourselves to you as well as other Ecology staff working on this rulemaking.

WSPA believes that the concept of "fuel neutrality" is a core aspect of any clean fuels program. In the consideration of fuels pathways and credit generating programs, fuel neutrality along with emissions integrity are key to avoiding the preemptively excluding viable clean fuels opportunity (i.e., avoid picking winners and losers).

General Comment

Life Cycle Assessment Expertise

Key to any Low Carbon Fuel Standard (LCFS) program such as the proposed Washington CFP is the accurate modeling of Life Cycle Carbon Intensity (as illustrated in Slide 19 of the stakeholder meeting staff presentation). WSPA is concerned that Ecology does not have internal expertise in Life Cycle Assessment (LCA) modeling and may be seeking contractor (external) expertise. LCA modeling, involving the GREET model or other LCA models, is at the heart of CFP/LCFS programs. It is critical that the LCA modeling, which sets the carbon intensity (CI) basis for individual alternative fuels considered in the program, is calculated carefully and as accurately as possible. WSPA recommends that Ecology build its own internal LCA modeling expertise and not have a contractor do the work for Ecology.

Specific Comments

Slides 40 and 41 – Carbon Intensity Standard

WSPA supports the first year of the program (year 2023) being a reporting year only, with no applicable CI reduction standard, as described on Option 3 and Option 4 on slides 40 and 41. This would allow Ecology and the regulated community to become familiar with the reporting tool and for the inevitable new program “bugs” to be addressed before entering a compliance year with deficit and credit generation. This approach would align with the California LCFS and Oregon CFP programs that both had a reporting-only year during the first year of their programs.

Slide 42 - Harmonization with CARB and OR on ‘Opt-in’ Fuels

Per the information request on Slide 42, WSPA supports ECY following CARB’s “Opt-In” program regarding “Opt-In” fuels included, as the CARB program in this respect appears to follow the Washington State legislative intent for the goals of the CFP program. However, there are other aspects of the CARB program we would want to discuss further with Department of Ecology before recommending adoption.

Slide 43 - Exemptions

WSPA supports Ecology in setting a fuel use threshold of 360,000 gallons per year or lower for fuel exemptions.

Slides 44 through 47 - Credit Generating Projects

WSPA supports ECY drawing on as broad variety of projects as possible, based on existing programs. Climate policies should be technology neutral and fuel neutral but connected to the pursuit of climate-related objectives. Policymakers should maintain optionality in designing programs while maintaining a focus on reliably delivering energy on a low-carbon future.

Slide 44 – Credit Generating Activities, Section 6

House Bill 1091 specifically includes “project-based refinery greenhouse gas mitigation including, but not limited to, process improvements, renewable hydrogen use, and carbon capture and sequestration.” These project-based refinery greenhouse gas mitigations are critical to a successful program and helps to unlock fuel CI reductions within all fuel types. WSPA encourages Ecology to include a program like California’s LCFS, Refinery Investment Credit Program to this rulemaking, starting on January 2023.

WSPA appreciates the opportunity to provide comments on this important proposed rule. If you have any questions regarding this submittal, please contact me at (360) 918-2178 or via email at jspiegel@wspa.org.

Sincerely,

