4675 MacArthur Court, Suite 800 Newport Beach, California 92660 USA 949.437.1400 www.CleanEnergyFuels.com



Vice President, Public Policy and Regulatory Affairs



April 25, 2022 Ms. Rachel Assink Air Quality Planner Washington Department of Ecology 300 Desmond Drive SE Lacey, WA 98503

Re: Washington Clean Fuel Standard Draft Rule

Dear Ms. Assink:

Clean Energy, the nation's leader in providing renewable natural gas (RNG) to the transportation sector with over 550 fueling stations owned or operated in over 43 US states, is thankful for the opportunity to comment on Department of Ecology's (Ecology) draft Clean Fuel Standard (CFS) draft rule and related program documents. The implementation of a CFS in Washington is a significant step toward decarbonizing it's transportation sector and such policies implemented in other states have proven to one of the most, if not the most, effective policy tool to decarbonize transportation systems today.

Support the Strongest Carbon Intensity Targets Permitted by Statute

One of the most compelling reasons why a CFS is a powerful decarbonization policy is because it attracts multiple fuel pathways that can deliver low carbon fuels to the marketplace today and quickly build more capacity with steady policy support. Part of the reason for this success is because the CFS is a fuel neutral policy with one goal is mind: the decarbonization of transportation fuel. The policy, in and of itself, therefore instills competition, innovation, and green jobs that create sector-wide solutions for all transportation sectors and special needs.

As the state of Washington looks to achieve its economy-wide goal of a 45% reduction in emissions from 1990 levels by 2030, Ecology should set the most stringent CFS targets allowable by statute. Clean Energy therefore supports requiring a 20% carbon intensity (CI) reduction requirement by 2034, beginning compliance requirements in 2023 and making 2023 a full compliance year.

Regional Alignment and Reciprocity of CI Scores Should be a Key Goal

We appreciate the language found in the Draft's section WAC 173-424-OIC that allows for applicants to seek approval to use a carbon intensity that is currently approved by California or Oregon. Such regional alignment will maximize the ability for RNG producers to swiftly respond to the joint signal sent by the clean fuel programs in these states.

Significant attention should be placed on retaining cross-jurisdictional alignment of CI tools and scoring. To the extent feasible, Ecology should continue to work closely with its regional partners and attempt to make changes to CI models together.

Modify or Eliminate Unlimited Carry Forward of Deficits

The ability to carry forward 5% of total deficits described in WAC 173-424-DC(4) should either be modified or eliminated. As currently written, it appears that 5% of deficits can be carried forward in perpetuity, with no penalty. Clean Energy believes that a large majority of entities will take advantage of this compliance flexibility if the language is retained and this would unintentionally weaken the collective stringency of the program and reduce demand for credits from low carbon fuels.

We recommend that if any such deficit "carry forward" is to be retained in the rule, that either a limited time window to cover these deficits be imposed and/or that some form of disincentive for using this borrowing flexibility be imposed.

Conclusion

Clean Energy is excited to work with Ecology throughout the agency's CFS rulemaking process and looks forward to sharing our experiences and expertise on low carbon fuel policies. We truly believe that a CFS is perhaps the most powerful policy tool available to meaningfully decarbonize the transportation sector. We hope that this rulemaking process not only will be a success but will maintain a fuel neutral, goal-targeting policy that will encourage robust participation and competition between multiple fuel pathways.

Sincerely,

Todd R. Campbell