King County

Dow Constantine
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Debebe Dererie
Rulemaking Lead
Department of Ecology Air Quality Program
P.O. Box 47600
Olympia, WA 98504-7600

Re: Draft Rule Language for Chapter 173-424 WAC, Clean Fuels Program

Dear Mr. Dererie:

Thank you for the opportunity to comment on the draft Rule Language shared in November 2021 for the Clean Fuels Program.

Confronting climate change and accelerating the transition to a clean energy economy are top priorities for King County. In King County's Strategic Climate Action Plan (SCAP), a five-year blueprint for County climate action, we have set ambitious targets to reduce emissions by half by 2030, lead with climate justice, and prepare for the impacts of climate change. This requires the cooperation of King County cities, partners, communities, and residents. Transportation is the largest source of greenhouse gases in King County and Washington State, and a sector that we have policy and technology to address. I urge the Department of Ecology to incorporate the maximum possible reduction in carbon intensity of fuels, at 20 percent by 2034, as well as expedite the implementation timeline up to 2023. King County also requests better compliance support for fleet owners and operators, to ensure successful implementation of the Clean Fuels Program.

King County analysis underscores that a Clean Fuels Standard is a critical policy tool for achieving targets for emission reductions in the transportation sector. Emissions reductions over the next 10 years are most critical to keeping global temperature rise below 1.5C and avoiding the most severe impacts of climate change.

In King County, we're working to reduce transportation related emissions through electrification of our bus fleet by 2035, conversion to electric light-duty vehicles for our non-revenue fleet, and piloting an electric heavy-duty Class 8 truck for our Solid Waste operations later this year. But we, collectively, must move faster.

Specifically, I offer the following recommendations for the Clean Fuels program that seek to maximize the impact of the legislation:

1. **Implementation of and compliance with the Program beginning in 2023, with 20 percent reduction in carbon intensity of fuels target by 2034.** Time is of the essence.

2. **Ensure public fleet owners can secure ownership rights to credits generated from publicly owned electric vehicle fleets.** Rulemaking explicitly states that public fleet owners can generate credits from fleet. Clear language regarding credit generation ownership ensures that revenue generated can support the expansion of fleet electrification in our publicly owned fleets.

    a. **Clarify priority for transit agencies' credit generation ownership.** We appreciate and support the clear provision that transit agencies have the priority for credit generation from fixed guideway fleet. King County's investment in transit bus fleet electrification will primarily focus on battery-electric vehicles that do not use a fixed guideway, we want assurance that as a public transit agency we have priority for the credit generation ownership. Therefore, we recommend that the transportation unit be expanded from "Fixed Guideway System" to "Electric Public Transit Vehicles" to ensure that public transit agencies are priority 1 for credit generation from all electric public transit vehicles. Otherwise, battery-electric public transit vehicles are considered as "Non-residential EV" where credit generators are the owner of the charging equipment (priority 1) and designated aggregator (priority 2). We want to secure credit generation whether or not we lease or own charging infrastructure.

    b. **Transfer of electrical generation credit ownership.** Similar to the provision that allows for liquid fuel credit generation transfer, I recommend that fleet electricity charging credit generation transfer be explicitly permitted in the rule. We want to have the ability, through contracting and negotiations, to secure the credit generation ownership from all EVSE charging infrastructure that we lease and/or own.

    c. **Fleet ownership priority for credit generation ownership.** Fleet owners and operators bear the greatest risk and responsibility for investments and adjustments in operations to transition to electric fleets. Public and large fleet owners, not vehicle manufacturers, should be the priority for credit generation ownership.

In addition to the recommendations above, I support the following provisions of the Program:

1. **Reinvestment requirements for utilities.** Revenues from the sale of credits offers significant opportunity to reduce air pollution and spur investment by requiring that investments be directed to overburdened communities. King County is committed to supporting investments in electric vehicles that prioritize equitable access to shared use mobility solutions over single occupancy vehicle solutions.

2. **Support book and claim mechanism that allows fleet owners to increase revenues from credits by bundling fleet electrification with renewable energy agreements generated off-site.** Book and claim mechanisms ensure that the investment in the renewable electricity purchase agreements can be captured, further incenting the development and use of renewable electricity.

3. **Support advance credit option for public fleet owners.** Public fleets have varying capacity to meet the high upfront capital investments for charging and fleet. Advance crediting allows public fleets to generate credits and revenues upfront or have an upfront guarantee of future credit revenue. A similar program has been successful in Oregon. We support this provision as it will enable more fleets, especially smaller fleets and smaller public agencies, to consider the credit generation revenue as they are making upfront capital investments.

If you have any questions, please reach out to Rachel Brombaugh, King County Director of Climate and Energy Initiatives, at (206) 263-9633.

Thank you again for the opportunity to provide input on this rulemaking.

Sincerely,

Dow Constantine
King County Executive