



Puget Sound Energy
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Dear Department of Ecology Staff:

On behalf of Puget Sound Energy (“PSE”), thank you for the opportunity to provide comments in the rulemaking process for the Washington Department of Ecology Clean Fuels Program (“CFP”). PSE was proud to support the bill that established this program in the 2021 legislative session and we believe we are well positioned to help our state achieve carbon reductions from the transportation sector.

PSE is committed to creating a cleaner energy future and is supportive of Washington State’s clean energy goals. This includes transforming our electricity supply to become carbon-free by 2045. In PSE’s “Beyond Net Zero Carbon” goal, PSE seeks to partner with customers and industry to reduce carbon in other sectors, including advancing the market’s transformation to electrified transportation.

PSE’s Transportation Electrification Plan (“TEP”), which received a letter of acknowledgement from the Washington Transportation and Utility Commission on August 12, 2021, pursuant to RCW 80.28.365 under Docket UE-210191, outlines PSE’s approach to and planning for its transportation electrification activities and expenditures for the five-year period of 2021-2026. The TEP is PSE’s comprehensive five-year strategic framework for electric vehicle products, services, and infrastructure that will drive the transition to a cleaner energy future by further advancing electrified transportation in Washington State.

Overall, PSE is supportive of the direction and intent of the Washington CFP. In anticipation of the first draft of the rule language, PSE would like to formally state its perspective on the key issues below:

- PSE believes that utilities should have the first rights to credit generation and aggregation. Utilities are in the best position to generate, aggregate, and disburse funding to residential and commercial customers within the utility’s service area. The Low Carbon Fuel Standard (“LCFS”) funding mechanism can augment existing transportation electrification programs and further drive adoption of electric vehicles in the region. Additionally, the LCFS funding can be used to target vulnerable populations and highly impacted communities in conjunction with new and existing programs by allowing for increased incentives to alleviate first cost barriers.
- PSE advocates for the first year (2023) of the CFP to be a credit generating year as opposed to a reporting year. At a minimum, base credit generation should be prioritized for 2023, while the incremental credit generation mechanisms are developed for a subsequent year. PSE, along with Washington State, has ambitious goals for electrifying the transportation

sector. Therefore, it's critical to leverage multiple funding sources, industry partnerships, and policy mechanisms to accelerate market transformation. PSE is prepared to utilize the LCFS credits to drive increased electric vehicle conversion with new and used vehicle rebates and/or charging infrastructure incentives consistent with the intent of the law.

- PSE is supportive of allowing alternative credit generation, particularly for smart EV charging when the grid's marginal carbon intensity is low. However, PSE acknowledges that the determination and measurement of carbon intensity may require additional deliberation and stakeholder input, which may necessitate deployment to a subsequent year.

Thank you again for the opportunity to provide input. We hope the comments are helpful in articulating PSE's support and perspective toward the CFP rulemaking and look forward to reviewing the draft rules, once released.

Sincerely,

Malcolm McCulloch

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Puget Sound Energy