



NORTHWEST

HANDLING SYSTEMS, INC.
The Material Handling Experts

Recommendations regarding Credit Generation

Regarding responsibility to generate credits, we support the rules as written to designate the owner of the equipment as the responsible credit generator which may be designated to another entity by written contract.

NWHS provides the following specific comments on each section:

WAC 173-424-220 (3) Nonresidential electric vehicle charging.

NWHS agrees that the owner of the electric-charging equipment is the default fuel reporting entity and credit generator, or may designate an aggregator.

WAC 173-424-220 (5) Electric forklifts.

NWHS agrees that the owner of the forklifts is the default fuel reporting entity and credit generator, or may designate an aggregator under written contract.

For WAC 173-424-220(5)(a)(ii) we suggest the following modification (changes marked):

- (ii) The estimated or actual annual credits ~~revenue~~ the owner gets for the use of electricity in the forklift.

The reasoning for this recommended change is that given the unpredictable nature of credit revenues; the annual credits is a more reliable metric.

WAC 173-424-220 (6) Electric transport refrigeration units (eTRU).

NWHS agrees that the owner of the eTRU is the default fuel reporting entity and credit generator, or may designate an aggregator by written contract.

WAC 173-424-220 (7) Electric cargo handling equipment (eCHE).

NWHS agrees that the owner of the equipment is the default fuel reporting entity and credit generator, or may designate an aggregator by written agreement.

WAC 173-424-220(8) Electric power for ocean-going vessel (eOGV)

NWHS agrees that the owner of the electric power supplying equipment is the default fuel reporting entity and the credit generator, or that the credit generation may be designated to an aggregator.

WAC 173-424-210(d)(ii)

NWHS agrees that the forklift fleet owner is the first fuel reporting entity and credit generator, or that the credit generation may be designated to an aggregator.

Recommendations on RECs

NWHS recommends a change to WAC 173-424-630 (5) as follows (changes marked):

- (5) RECs must be generated by an electric generator that was placed into service after ~~2023~~ 2017;

The proposed post 2023 placed in service requirement excludes renewable electricity through book-and-claim accounting through at least 2024, given the timeline necessary to generate RECs in WREGIS such that renewable electricity could not participate until 2025. NWHS suggests using the benchmark year of 2017 as identified in statute.

Recommendation to align in-service vehicle dates with 2017 as in statute

NWHS recommends aligning certain vehicle in-service dates to match the year 2017 as identified in statute. We recommend rewarding equipment placed into service in 2017 or later be eligible for full credit generation to reward fleets and entities for recent upgrades to their vehicles; this provides a better incentive for further fleet turnover to new equipment with recent equipment. To implement this change, we recommend the following marked changes:

WAC 173-424-420(3)(e)(ii) and WAC 173-424-420(3)(f)

- (i) Separated by use for light rail, streetcars, aerial trams, or electric transit buses; and
- (ii) Separated by electricity used in portions of their fixed guideway system placed in service before and after January 1, ~~2023~~2017;
- (f) For entities reporting forklift charging, the amount of electricity dispensed to or consumed by forklifts per FSE. The report must be separated by electricity used to charge forklifts built in or before model year ~~2016~~2022 and electricity used to charge forklifts built in model year ~~2017~~2023 and after. The reporting entity must provide the number of electric forklifts in the above model year groups (in and pre-~~2016~~2022 versus post-~~2017~~2023);

Recommendations regarding New Registrations and Designations

NWHS recommends for ecology to accept new FSE registrations submitted in the first 45 days of the reporting period be reviewed and approved for reporting in the prior period's fuel use. For instance, new FSE registrations submitted by May 15 could be approved for reporting Q1 fuel usage. The proposed rule text could be modified as follows:

WAC 173-424-140(3)(b)(ii) FSE registrations and aggregator designations submitted in the second 45 days of a calendar quarter may only take effect at the start of the next full calendar quarter after ecology receives such notice.

Sincerely,



Rupesh Sansgiri, CFO

North West Handling Systems, Inc.