August 30, 2022

Washington Department of Ecology
Clean Fuels Program Rule
Chapter 173-424 WAC

Re: Comments on Clean Fuels Program Rule

PineSpire recognizes the Department of Ecology's (DoE) significant work and integration of stakeholder comments in the latest draft Clean Fuels Program (CFP) Rule. We appreciate the opportunity to make the following additional comments aimed at making the Rule clear and effective for all participants.

1. Carbon-Intensity standard

PineSpire applauds DoE for using the more impactful CI standards in the draft rule. This will support a robust program with significant GHG reduction impacts.

PineSpire also suggests adding a definition of 'initial compliance period' to the rule and specifying the intent that program administration will enable participants to report, generate and transact credits during the initial compliance period on a voluntary basis prior to the 2024 annual report deadline.

2. Clarification of credit generators (WAC 173-424-300(g)(iii)(F) and (G))

DoE has improved the language clarifying the priority of credit generators, particularly for forklifts. The proposed language will promote transparency amongst all parties working with electric fleets. Per discussion in the August 23rd FAQ and hearing, PineSpire recommends additional clarification in the language or a guidance to specify if the lessor of equipment is not actively informing the lessee they are participating in the CFP, then the lessee may act as the credit generator for equipment they lease.

We do strongly recommend that DoE review how Transport Refrigeration Units operate in the logistics market and review if it is appropriate or feasible for the eTRU owner to generate credits. Designating the transport unit owner, not the charging (fuel supply) equipment owner, has drastically limited participation of this sector in California and Oregon, even as available technology and demand for electric TRUs is increasing. Because most TRUs are not owned or operated by the facilities where they would likely charge at (i.e. warehouses during loading and unloading periods and short-term storage), there is no means for the TRU owner to generate credits or for the eTRU owner to claim them. PineSpire is happy to provide further clarification and discussion with DoE along with logistic industry operators that own significant eTRU charging facilities.

3. Forklift FSE (WAC 173-424-300(g)(iii)(F)

PineSpire requests DoE provide further clarification on the implementation of forklift registration pursuant to this section. For example, California's program experienced inconsistencies in registrations and reports because the regulation language was not specific that the registration should consist of an FSE (location of forklifts) and Equipment Detail (OEM make and serial number *of the forklift*). We recommend a revision to this section as follows "then an entity may provide the serial number assigned to each individual ~~FSE~~ forklift by the OEM, along with the name of the OEM." Clarifying that the specific unit registered is the forklift and not the forklift charger ensures that it is the entity that made the significant investment in the forklift that is the credit generator, whereas chargers may be rented and replaced regularly.

Additionally, this clarification would be consistent with how the program is administered in California and Oregon, and would enable Washington to also adopt CARB's Regulatory Guidance 17-02. This Guidance provides a highly specific calculation methodology for forklift energy use based on the specific equipment, which aligns with current technology and operation of electric forklifts.

4. Model year reporting WAC 173-424-420(3)(f) and WAC 173-424-540(2)

We suggest the DoE review the language in these two sections to ensure it is clear the intent of model year reporting and what model year equipment are eligible for using the EER for forklifts

5. REC requirements (WAC 173-424-630(5)(b)

PineSpire supports modifying the proposed language to be based on when RECs are generated, not when the electric generator was placed into service. This will enable participants to source RECs for the entirety of 2023.

6. Incorporate a process for Credit-Reporting Platform improvements as part into the Clean Fuel Standard

We appreciate the importance of using a reliable platform and constraints of the timeframe for launching the Clean Fuel Standard. We also recognize the platform and associated process inefficiencies will have a significant impact on program administrator resources and add to the cost of participation for credit generators. PineSpire encourages the DoE to establish a process and budget for regular improvements to the credit-reporting platform. We suggest including stakeholder inputs on the 'low-hanging fruit' that could reduce the need for DoE staff time in manual review of data as well as discussions on feasibility and security of opening the system to API integrations.

Thank you for consideration of our comments.
Sincerely

Ryan Huggins
President
PineSpire