

August 29, 2022

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State of Washington
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RE: Rulemaking - Clean Fuels Program Rule and Air Quality Fee Rule

Thank you for the opportunity to provide comments on the proposed Clean Fuel Standard (CFS) rule.

We are collectively writing to express our support for the Department of Ecology's (Ecology) efforts to reduce emissions through the swift adoption of the Clean Fuel Standard, and to encourage Ecology to **expressly include pathways for innovative carbon removal technologies that contribute to the reduction of greenhouse gasses** under the program.

This letter's signatories represent a range of interests from the emerging carbon removal ecosystem. Together, our companies are committed to tackling climate change by addressing legacy emissions, including decades of historic emissions from the transportation sector. Washington is a national leader in cutting greenhouse gas emissions to prevent climate change, and the implementation of the CFS is a significant step in the right direction. But achieving net zero emissions by 2050 will require both radical emissions reductions and the permanent removal of significant amounts of carbon from the atmosphere every year. Carbon removal technologies are the only way to address legacy emissions, and they offer a mechanism to ensure compliance each year of the program, even as the carbon reduction targets are strengthened over time.

As Washington develops foundational policies like the Clean Fuels Program to mitigate emissions in the transportation sector, it is well-positioned to also align its policy with emerging opportunities to permanently remove carbon, accelerating the development of these innovative solutions, and strengthening the state's ability to meet its ambitious goals.

Carbon Removal and Sequestration is Encouraged Under Enabling Statute

In passing HB 1091, Washington State correctly identified that carbon dioxide emission reduction *and* carbon dioxide removal must be utilized to meet the State's climate goals. The signatories are encouraged that HB 1091 recognized the role of additional activities that reduce greenhouse gas emissions, in Section 6 stating that:

(1) The rules adopted under RCW 70A.535.020 and 70A.535.030 may allow the generation of credits from activities that support the reduction of greenhouse gas emissions associated with transportation in Washington, including but not limited to:

(a) Carbon capture and sequestration projects, including but not limited to:

(i) Innovative crude oil production projects that include carbon capture and sequestration;

(ii) Project-based refinery greenhouse gas mitigation including, but not limited to, process improvements, renewable hydrogen use, and carbon capture and sequestration; or

(iii) Direct air capture projects.

We believe that Ecology should modify the proposed rule in order to effectuate legislative intent by ensuring that carbon dioxide removal technologies be incorporated into the CFS - not only as a strategy to reduce emissions from the production of Tier 1 fuels but also to address legacy emissions from the transportation sector by generating credits under a standalone pathway. It is imperative for the success of the CFS that carbon removal technologies **both directly and indirectly associated with transportation fuel production** are able to contribute to and participate in the CFS.

A Range of Technologies Can Support Clean Fuel Standard Goals

Carbon removal technologies are rapidly advancing. Existing policies that rely only on fossil fuel-aligned carbon capture and storage fail to recognize the breadth of cutting-edge decarbonization technologies that will ultimately be necessary to meet both Washington State's and the world's net zero goals.

Rather than limit carbon removal to specific technology types paired with fossil fuel production, we encourage Ecology to create a standalone pathway for carbon removal that is *not* paired with fossil fuels.

Incorporating technology-neutral carbon dioxide removal credit generation in the Clean Fuels Program will firmly establish the state as a leader in the climate space. It will also streamline alignment with California as it considers potential pathways for emerging technologies through updates to its Low Carbon Fuel Standard. Taking a technology-neutral approach avoids any unintentional preclusion of viable carbon removal projects and greatly increases the likelihood of meeting Washington's goal of net zero emissions by 2050.

Ensuring a Future Role for Carbon Removal

We understand that Ecology has a statutory deadline to finalize the CFS, and that major changes to the rule are challenging at this point in the timeline. However, we believe that Ecology can at

a minimum lay out a marker for future development of additional pathways through the addition of language allowing Ecology to develop protocols for permanent carbon removal and sequestration projects to generate credits by 2025 — the same timing as the Tier 2 fuel pathway. This provision would enable Ecology to begin work toward developing this framework in 2023.

We appreciate Ecology's careful consideration of these comments and look forward to collaborating with the state and other stakeholders to develop the CFS.

Sincerely,

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