

August 31, 2022



**Re: Department of Ecology public comment on the Clean Fuels Program Rule**

Dear Rachel Assink,

Thank you for the opportunity to provide comments regarding the proposed Clean Fuels Program rule.

The Puget Sound Clean Air Agency (Agency) is a special-purpose, regional government agency chartered by the Washington State Clean Air Act. Our jurisdiction covers King, Kitsap, Pierce, and Snohomish counties. These four counties are home to more than 4.3 million people—over half the state’s population.

The Agency works to protect public health, improve neighborhood air quality, and reduce our region’s contribution to climate change. The Agency is committed to everyone in our jurisdiction having clean, healthy air to breathe all the time, regardless of socio-economic status or geographic location.

**Urgency to Reduce Climate and Transportation Pollution with a Clean Fuel Standard**

The Agency adopted a climate target in 2017 to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020, 50% below 1990 levels by 2030, and 80% below 1990 levels by 2050. While we are not on track to meet these targets, recent comprehensive analyses such as the 6<sup>th</sup> Intergovernmental Panel on Climate Change assessment<sup>1</sup> demonstrates that even greater urgency is needed to meet these targets and beyond. Local climate impacts, such as increasingly common wildfire smoke events, highlight the urgent need for greenhouse gas emission reductions.

The Agency has conducted several studies to identify potential ways to make progress towards our climate target. Reducing the carbon intensity of fuels consistently rises to the top as a key action to reduce

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GHG emissions from the transportation sector. The proposed Clean Fuel Standard leverages many of the strengths that exist in clean fuel standard programs along the West Coast.

### **Clean Fuel Standards Reduce Criteria Pollutants and Air Toxics from Transportation**

In addition to contributing to GHG emissions, transportation emissions also contribute to potential cancer risk and other adverse health outcomes, primarily cardiac and respiratory.<sup>2</sup> Clean Fuel Standard actions that reduce GHG emissions will also improve criteria and air toxics pollution, particularly important for disproportionately impacted communities adjacent to major roadways. Our studies show that diesel exhaust is the main source of cancer risk from air pollution in our region.<sup>3</sup>

### **Support and Feasibility for the Proposed Carbon Intensity Timeline**

The Agency fully supports a 20% reduction in carbon intensity by 2034—this level is both feasible and necessary. The Agency conducted multiple scenarios<sup>4</sup> to better understand availability of lower carbon intensity fuels in the northwest. These scenarios demonstrate that 20% is well within the ability of the northwest region to supply adequate amounts of lower carbon fuels without any significant change to the gross regional product. Our analysis showed as much as a 26% reduction was feasible by 2030, consistent with other analyses that demonstrated similar ranges and timeframes.<sup>5</sup> More recent analyses continue to support the feasibility.

### **Request for Clarity on Investments in Disproportionately Impacted Communities**

The Agency also appreciates that the program design ensures that equity is addressed, in particular, prioritizing investments in disproportionately impacted communities using electric utility credit revenues. We request that you clarify that the final rule's intent is to mirror language in RCW 70A.535.080, that requires electric utilities to spend 30% of electric utility credit revenues towards transportation electrification projects in disproportionately impacted communities, nonattainment areas, and at-risk areas. We encourage Ecology to consider requiring electric utilities to report the direct benefits to impacted communities of their credit revenue spending.

### **Support for Advance Credits**

The Agency supports the rule's inclusion of advance credits, which would allow public fleets to purchase zero-emission vehicles, particularly medium-duty and heavy-duty vehicles. This provision will make the upfront cost for electric transit buses, school buses, and refuse trucks more affordable and will accelerate both GHG emission reductions as well as harmful air pollution reductions, particularly in overburdened communities. Our research has shown that near-road communities most impacted by diesel pollution are more likely to be BIPOC, low-income, have more limited-English proficiency, and lower education status.<sup>6</sup> We urge Ecology to consider, at its discretion, expanding

this provision to include public entities and private entities providing a public service, such as refuse collection – similar to how Oregon’s Clean Fuels program implements advance credits.

### **Recommendation to Include a Clean Fuels Reward Program**

The Agency also recommends Ecology consider creating a program (or add it to the list of eligible investments for electric utilities) similar to California’s Clean Fuels Reward program to provide an “on the hood” rebate price reduction for electric vehicles by 2024. California’s program began in 2020 and has since provided over 250,000 incentives for electric vehicle customers.<sup>7</sup> The program is funded by credits generated by utilities through the California Air Resources Board’s Low Carbon Fuel Standard. A 2020 report from the International Council on Clean Transportation found that a Clean Fuel Standard can provide a “long-term, durable funding source for EV purchasing incentives.”<sup>8</sup>

A similar program in Washington would bring down the upfront cost of electric vehicles and help the state achieve its goal of 100% new zero-emission vehicle sales by 2030. It would complement electric vehicle incentives from the federal Inflation Reduction Act and make them more attainable for low-income consumers, particularly if the incentive was available for used electric vehicles. A Clean Fuels Reward program could provide a single incentive for EVs across the state instead of a patchwork of varying EV incentives based on utility service territories, which would likely be frustrating and confusing for Washington consumers. This would also benefit smaller utilities that may not have the capacity to implement their own EV incentive with Clean Fuel Standard credit revenue.

The Agency appreciates the opportunity to provide this comment. Please contact us ([ChristineC@psccleanair.gov](mailto:ChristineC@psccleanair.gov), 206-689-4004) or Kathy Strange ([kathys@psccleanair.gov](mailto:kathys@psccleanair.gov), 206-689-4095) with any questions. We look forward to seeing the final rule later this year.

Sincerely,

A handwritten signature in blue ink that reads "Christine Cooley". The signature is fluid and cursive, with a long, sweeping underline.

Christine Cooley

Executive Director

## References

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- <sup>1</sup> Intergovernmental Panel on Climate Change, 2022: *Climate Change 2022: Impacts, Adaptation, and Vulnerability*. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Löschke, V. Möller, A. Okem, B. Rama (eds.)]. Cambridge University Press. In Press. <https://www.ipcc.ch/report/sixth-assessment-report-working-group-ii/>, accessed 8/30/22.
- <sup>2</sup> Environmental Protection Agency. Research on Health Effects, Exposure, & Risk from Mobile Source Pollution. <https://www.epa.gov/mobile-source-pollution/research-health-effects-exposure-risk-mobile-source-pollution>, accessed 8/30/22.
- <sup>3</sup> Puget Sound Clean Air Agency, Chinatown-International District Air Toxics Study, 2016, <https://pscleanair.gov/DocumentCenter/View/3398>.
- <sup>4</sup> Puget Sound Clean Air Agency, Analysis Finds A Clean Fuel Standard Can Significantly Reduce Pollution, Sept 2019: <https://pscleanair.gov/DocumentCenter/View/3810/Clean-Fuel-Standard-Technical-Analysis-Summary-?bidId=>
- <sup>5</sup> Malins, C, Lutsey, N, Galarza, S, Shao, Z, Searle, S, Chudziak, C, & van den Berg, M. Potential low-carbon fuel supply to the Pacific Coast region of North America. The International Council on Clean Transportation, 2015, Washington, D.C. [https://theicct.org/sites/default/files/publications/PacificCoastRegionLCF\\_Jan2015.pdf](https://theicct.org/sites/default/files/publications/PacificCoastRegionLCF_Jan2015.pdf), accessed 8/30/22.
- <sup>6</sup> Puget Sound Clean Air Agency, State of the Airshed, Full Report, March 2022, <https://www.pscleanair.gov/DocumentCenter/View/4646/State-of-the-Airshed?bidId=>
- <sup>7</sup> California Air Resources Board, California Clean Fuel Reward surpasses 250,000 point-of-sale financial incentives for EV buyers, <https://ww2.arb.ca.gov/news/california-clean-fuel-reward-surpasses-250000-point-sale-financial-incentives-ev-buyers>, accessed 8/30/22.
- <sup>8</sup> International Council on Clean Transportation, Assessing the potential for low-carbon fuel standards as a mode of electric vehicle support, <https://theicct.org/sites/default/files/publications/LCFS-and-EVs-dec2020.pdf>, accessed 8/30/22.