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Comments Regarding Chapter 173-424 WAC, Clean Fuels Program Rule

Thank you for the opportunity to provide comments on the proposed Clean Fuel Standard (CFS) rule. Washington Forest Protection Association (WFPA) is a forestry trade association representing large and small forest landowners and managers of four million acres of productive working forests, including timberland located in the coastal and inland regions of the state. Our members support rural and urban communities through the sustainable growth and harvest of timber and other forest products for U. S. and international markets. For more information about WFPA, please visit our website at www.wfpa.org. WFPA respectfully submits the following comments for the Clean Fuels Program rule.

I. The Connection Between Forest Health and the Clean Fuel Standard

Responsibly managed forests provide drinking water, carbon sequestration, wildlife habitat, and green jobs in rural economies. Managed forests also *increase* CO2 absorption by, in part, preventing catastrophic fire, disease, and insects that kill trees and emit carbon dioxide. In fact, as the second largest softwood lumber producer in the nation, sustainably managed forests and the production of wood products from Washington's private lands alone offsets 12% of our state's carbon emissions.¹ However, we also see firsthand that Washington's forests are overstocked due to historic fire suppression policies, which creates the catastrophic wildfire risk we face today.

Sustainable forest management requires addressing this through careful and responsible removal of biomass. This often takes the form of thinning or pruning, resulting in large piles of unmarketable biomass. Excess biomass that cannot be converted into wood products can be an input for biofuels *or* for technologies that remove and sequester carbon. We believe the CFS must take full advantage of this opportunity.

II. The Clean Fuel Standard Statute Encourages Carbon Removal and Sequestration

The Washington State Legislature, in RCW 70A.535.050, provided a pathway in the CFS to incorporate carbon removal and sequestration. The statute provides 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.

¹ Ganguly, I.; F. Pierobon, and E. Sonne Hall. 2020. Global warming mitigating role of wood products from Washington State's private forests. In review. (UW Research) and 2013 emissions = 94.4 MMT CO2e

Page 2 Washington Forest Protection Association

Our understanding of this provision is that it authorizes Ecology to set up a pathway for carbon capture, removal, and sequestration projects that are separate from the fuel production process to generate credits. The final House Bill Report confirms this and states that carbon capture and sequestration projects may generate credits separately and "in addition to" the fuel pathway.¹

The Legislature further directed Ecology, within the CFS, to incentivize the sequestration of greenhouse gases related to forestland and to establish an advisory council for the same purpose. *See* RCW 70A.535.060(2).

The department must establish and periodically consult a stakeholder advisory panel, including representatives of forestland and agricultural landowners, for purposes of soliciting input on how to best incentivize and allot credits for the sequestration of greenhouse gases through activities on agricultural and forestlands in a manner that is consistent with the goals and requirements of this chapter.

Taken together, these provisions show a commitment by the Legislature to incentivize carbon sequestration and removal practices involving our working forests. We believe the proposed CFS rule can do more to harness Washington's working forests as the statute envisioned.

III. Suggestions for the Clean Fuel Standard Rule

We support the inclusion of carbon capture and sequestration in the Tier-2 fuel pathway as proposed in WAC 173-424-600(5)(b)(viii). However, we also believe that carbon sequestration activities using pyrolysis and other methods that convert forest biomass into biochar, bio-oil, and other carbon sequestration products, should independently generate credits in the CFS. Enabling such a pathway is a climate win-win. The responsible and selective removal of biomass in an overstocked forest, paired with carbon removal and sequestration through pyrolysis, reduces the risk of wildfire (and the resulting carbon emissions) while generating permanent carbon sequestration credits. We believe this is what the Legislature intended when it authorized carbon capture and sequestration as a credit-generating activity and encouraged Ecology to look for opportunities to sequester carbon through forestland practices.

Such a pathway would be distinct from, and not duplicative of, the forestry offset provisions in the Climate Commitment Act (CCA) that focuses on reforestation, conversion avoidance and the sequestration of carbon in live trees and storage in long-lived forest products. Under the currently proposed CCA and CFS rules, permanent carbon removal technologies are not provided with a pathway to generate credits in either program.

We understand that Ecology is under a tight statutory deadline to finalize the CFS rule. However, the rule would benefit from simple 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. Such a provision would allow Ecology to begin scoping and developing the framework for this credit pathway next year.

We appreciate the thoughtful consideration of these comments and applaud Ecology's significant work to develop the CFS rule.

Sincerely,

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Jason Spadaro, Executive Director Washington Forest Protection Association

¹ See Final Bill Report, E3SHB 1091 (2021).