August 31, 2022

Rachel Assink, Rulemaking Lead
Washington Department of Ecology
Air Quality Program
300 Desmond Drive SE
Lacey, WA 98503

Comments on Chapter 173-424 WAC –Clean Fuels Program Rule

Dear Ms. Assink,

The Port of Seattle appreciates the opportunity to comment on the Clean Fuels Program rulemaking and the Department of Ecology's (Ecology) efforts to incorporate our previous informal comments submitted April 25, 2022.

Before turning to our specific comments on the currently proposed rule, we want to start by offering our sincere gratitude to the agency for your work so far and make clear our intent to work closely with you as a partner in development and implementation of this rule. As noted in our April communication with the Ecology, we have adopted aggressive goals to reduce emissions from our operations. That includes the goal to fuel ten percent of all flights at Seattle-Tacoma International Airport with sustainable aviation fuel by 2026. And the Northwest Ports Clean Air Strategy to be a zero-emission seaport by 2050. We supported enactment of a clean fuels standard because we felt strongly it was necessary for us to reach those goals, hence our strong support of this rulemaking and our commitment to working with you on program development and functioning.

Based on our review of the rule, we support many of the Clean Fuels Program's elements where it concerns port operations, including:

- ***The program lays out an ambitious timeline:*** The Department of Ecology starting the credit market in 2023, rather than waiting as was allowed by statute, will be to the long-term benefit of program health and to the state's air and climate
- ***Shore power credit generation:*** We support the language used in the draft rule, which responds to our suggestion that ownership of credits generated on the waterfront be clearly stated
- ***Cargo handling equipment infrastructure:*** We further agree that the owner of equipment used in marine cargo operations on the docks, and elsewhere in the

industrial supply chain, is responsible for the most significant investment and accordingly should own the credits generated

- ***Credit reinvestment:*** The Port believes that, like the requirements for backstop aggregators to promote transportation solutions that reduce greenhouse gases while prioritizing investment in disproportionately impacted communities [WAC 173-424-220(11)], Ecology should require all public sector generated credits be reinvested to reduce air pollution, prioritizing disproportionately impacted communities.

In the spirit of continued collaboration to build the best possible Clean Fuels Program, there remain a few areas of the rule in which we recommend additional improvements to achieve the Legislature's goals and intent with this program in the hard-to-decarbonize sectors that are core to the port's operations—aviation and maritime, including:

- ***Tier One pathway for SAF:*** Allow sustainable aviation fuels to apply for a Tier One pathway in 2023, rather than waiting until 2025 (Tier Two fuels) to greatly assist airports and airlines that want to rapidly decarbonize operations.
- ***Clean Maritime Fuels***: Ecology should clarify under WAC 173-424-120(3) that fuel providers of alternative maritime fuels are specifically allowed to opt-in and generate credits for fuels that meet the carbon intensity standards.
- ***Opt-in fuel pathways:*** Ecology could simplify the opt-in process by basing acceptable fuels on its carbon intensity score and existing ASTM standards, rather than potentially dismissing a helpful fuel alternative/blend or creating an onerous and prescriptive definition process to add a new fuel. In addition, the timing for Tier 2 pathway applications should not be delayed until 2025 to avoid missed opportunities for early action or delayed supply development.
- ***Incentives for purchasing heavy duty vehicles:*** Ecology should include incentives for purchasing electric or alternative fuel heavy duty vehicles such as heavy duty trucks, buses, and vessels. While allowing chargers and hydrogen refueling stations to generate credits is a positive step, decarbonizing heavy duty transportation will be more effective if the rule successfully helps to reduce the cost of new heavy duty vehicles and fueling/charging.
- ***Measurement methodology for co-processed fuels***: Harmonize the co-processed fuel biomass allocation methodology (i.e. carbon isotope analysis) with that of the federal Renewable Fuel Standard and ASTM. This will create predictability for refiners and ensure that the climate and air quality benefits of renewable fuels are associated with the specific gallons produced.
- ***Program fees***: All the program fees should be borne by the credit buyers, and none by the sellers. California and Oregon do not impose fees on credit sellers. If Washington

did, this would further disincentivize renewable fuel producers from selling into our markets at competitive prices.

The Port of Seattle continues to set ambitious goals and make investments to decarbonize our operations and we look forward to working with Ecology to successfully implement the Clean Fuels Program. For detailed recommendations, please see the attached Technical Appendix prepared by Port of Seattle staff.

Thank you.

Sincerely.

Sandy Kilroy
Senior Director, Environment, Sustainability, and Engineering
Port of Seattle

Attachment A: Technical Appendix prepared by Port of Seattle Staff