



3628 South 35th Street

Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

August 31, 2022

Ms. Rachel Assink
Rulemaking Lead
Washington Department of Ecology
300 Desmond Drive SE
Lacey, WA 98503

Via Public Comment Form @ ecology.wa.gov

RE: Clean Fuels Program Rulemaking – CR-102 Rule Proposal Phase

Tacoma Power appreciates the opportunity to provide feedback on the Department of Ecology’s (Ecology) Clean Fuels Program (CFP) rulemaking. We acknowledge the tremendous amount of work involved in completing this rulemaking and launching the CFP, and we commend Ecology’s rulemaking staff for their significant effort.

Introduction

Tacoma Power is a municipally-owned electric utility that serves approximately 400,000 residents in the City of Tacoma, several surrounding cities, Joint Base Lewis McChord, and parts of unincorporated Pierce County. We serve our customers with 97 percent carbon-free electricity from our own hydroelectric projects and from the Bonneville Power Administration.

Tacoma Power was an early supporter of legislation to establish a Clean Fuels Program (CFP) in Washington state. We also were a strong advocate of legislation that clarified the authority of consumer-owned utilities to create Transportation Electrification Plans (TEP) which, with the adoption by their governing bodies, enable customer-owned utilities to promote transportation electrification through programs, advertising, and direct incentives.

[Tacoma Power’s TEP](#) was approved in July 2020 and has been guiding our transportation electrification (TE) programs and projects ever since. We believe our experience developing and implementing a robust TE portfolio, which focuses on serving and benefiting vulnerable populations and highly impacted communities in our service area, allows us to offer insight into the development of the CFP rule.

Tacoma Power offers these comments on the CR-102 draft rule language made available on [Ecology’s rulemaking website](#) on July 18, 2022 (Draft Rules), and pursuant to Ecology’s comment period, which closes on August 31, 2022. In addition to these comments, Tacoma Power joins with colleague utilities and other parties in filing joint comments in response to this CR-102 comment

period. Tacoma Power is also a signatory on the comments filed by a coalition of green hydrogen supporters.

In this letter, we explore CFS topics that were not directly addressed in the other comments, offering Tacoma Power's perspective on other important facets of the CFP. These comments reflect our unique circumstances and service area and are offered with the goal of maximizing benefits of TE opportunities to our customers.

20 percent carbon intensity reduction by 2034

Tacoma Power supports the carbon intensity reduction path described in draft WAC 173-424-900, Tables 1 and 2. These tables establish a 20 percent carbon intensity reduction starting in 2034, which reflects the sense of urgency needed to make meaningful progress in mitigating climate change.

Incremental credits

While Tacoma Power is not supportive of incremental credits as a concept at this time, we recognize that this route to decreasing the recognized carbon content for electricity was established in statute. We have two concerns about the implementation of this component of the CFP.

First, it is unclear whether there are any criteria for renewable energy credits (RECs) that can be retired to offset megawatt hours (MWh) generated by emitting sources. For example, the Clean Energy Transformation Act (CETA) included strong statutory prohibitions against double-counting of nonenergy attributes, and those prohibitions were more fully developed in the series of rulemakings. Similarly, the Energy Independence Act (EIA) and its implementation includes requirements regarding locations of REC-creating projects, vintage of RECs, and other facets. Draft WAC 173-424-630(5) sets some standards, but the standard is much lower than the standards established for EIA and CETA.

Second, if incremental credits are to be a core component of the CFP, then access to this option should not be hobbled by burdensome and potentially duplicative reporting requirements. Draft WAC 173-424-420(3)(b)(ii) requires that utilities "must be able to provide, upon ecology's request: The VIN for each electric vehicle claimed and evidence of EV vehicle registration and low-carbon electricity supply at the same location[.]" Elsewhere in the draft rules, Ecology makes use of the Washington Department of Licensing as a source of useful and accurate information on the number and relative location of registered EVs. It is unclear how utilities would collect VINs of their customers' EVs, and even more unclear why Ecology would need utilities to provide this data to Ecology when the Department of Licensing manages a much more robust, much more up-to-date database that Ecology can access.

The second phrase of this rule language is similarly ambiguous. In isolation, this rule language suggests that incremental credits are only eligible to be generated for nonmetered residential EV charging if low-carbon electricity is on-site. However, draft WAC 173-424-220(1)(b)(ii) states that "utilities are eligible to generate incremental credits for supplying low-CI electricity to the EVs in its service territory." This rule language aligns with the broad REC standards described in -650(5).

Tacoma Power contends that these reporting requirements do not align with the CFP's programmatic needs and should be simplified or removed.

Statewide and utility-specific carbon intensity factors

The establishment and use of a utility-specific carbon intensity (CI) factor is clearly supported by the CFP statute. Ecology's implementation of the CFP should not allow the use of a statewide carbon intensity factor if doing so limits or erodes the use of a utility-specific CI.

Hydrogen dispensed at fueling stations – fueling data by vehicle weight class

Draft WAC 173-424-420(4) describes reporting parameters for hydrogen used as a transportation fuel. -420(4)(a) requires that reporting entities report the quantity of hydrogen fuel dispensed "by vehicle weight category: LDV & MDV and HDV." This requirement is impractical at commercial filling stations. To comply, station operators would need to categorize every vehicle fueling at the station and match the quantity of fuel to each vehicle, an onerous process that is unlikely to result in accurate data. Tacoma Power recommends removing this requirement or adding language to exempt publicly accessible hydrogen fueling stations.

Tacoma Power appreciates Ecology's effort to develop the CFP implementation rules. We appreciate Ecology's time and consideration of our comments and look forward to continued collaboration.

Sincerely,
Lisa Rennie
Policy and Regulatory Manager
Tacoma Power
lrennie@cityoftacoma.org | 253-341-6466