

SRECTrade, Inc.

SRECTrade respectfully submits the following comments and recommendations in response to Ecology's proposed fees for the Clean Fuels Program.

Barrier to Program Participation

SRECTrade is concerned that an upfront fee will deter participation, especially from smaller credit generators. This is especially the case at the beginning of the program where a credit market has yet to be established that provides a basis for potential value. Some potential participants may hold off on registration, which could keep the total number of credit generators lower than it could actually be and increase the per generator fee amount.

Diluting the Value of Credits

Any fee assessed to credit generators dilutes the net value of the credits which undermines the intent of the program to incentivize low carbon fuel production and use.

Unequitable Fee Structure

A flat fee across all generators will impose a disproportionate impact on small and medium-sized credit generators. In California and Oregon, there is a small number of credit generators whose credit production represents a sizable portion of total credits, which should be expected in Washington State as well.

Recommendations:

Do not charge any program fees from credit generators for the first year of the program. Any fees charged to credit generators should be assessed in an equitable fashion. Ecology might consider assessing a fee per credit generated.

SRECTrade appreciates the opportunity to provide feedback on potential changes to the Washington CFS and welcomes continued engagement with ECY staff.

Sincerely,

Wyatt Catron
Business Development Manager
SRECTrade, Inc.