

March 22, 2024

Attn: Adam Saul
Air Quality Program
Department of Ecology
State of Washington
P.O. Box 47600
Olympia, WA 98504-7600

RE: Information Comments for Clean Fuels Program Rulemaking

Thank you for the opportunity to provide informal comments on the Department of Ecology's rules related to the Clean Fuels Program contained in Washington Administrative Code Division 173, Chapter 424. In response to the Department of Ecology's questions, "How might Ecology align with other clean fuels programs to streamline regulatory requirements and compliance?" PacifiCorp offers the following comments:

Documentation Requirements for Residential Charging for Incremental Credits

Under the current rules, electric utilities are eligible to generate both base credits and incremental credits under WAC 173-424-220(11) for both metered and non-metered residential charging. However, the rules lack clarity about the necessary documentation utilities must report and/or maintain for incremental credits in current rule.

PacifiCorp urges the Department of Ecology to review WAC 173-424-300(1)(g)(F), and WAC 173-424-420(3) and consider clarifying the documentation requirements for a utility to generate incremental credits in both a metered and nonmetered setting. As currently written, the rule could be interpreted to limit a utility's ability to participate in incremental crediting. Broad participation in incremental crediting could provide significant benefits for future transportation electrification projects.

For example, WAC173-424-420(3)(b), which addresses specific reporting, reads in part,

"For nonmetered residential EV charging:

- (i) If an electric utility monitors electric energy use in EVs, the electric utility may provide to ecology the daily average EV electricity use data within the first 45 days after the end of the quarter. Ecology shall use the method established in WAC 173-424-540 to calculate any credits generated for the quarter and place them into the electric utility's account in WFRS;
- (ii) For claiming incremental credit for nonmetered residential charging, the electric utility 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;"

Provided that most of the residential charging is nonmetered, this provision is important for utilities who seek to pair EV charging with Utility Renewable Electricity Product and/or Renewable Energy Credits to generate incremental credits. However, the requirement for the utility to provide upon request the vehicle's VIN and demonstrate renewable energy was used at the same location may pose significant barriers in a nonmetered residential context.

If the Department of Ecology intended subsection (ii) to only apply to the scenario described in subsection (i), which addresses the utility's option to report average EV charging as an alternative method of generating base credits, the rule should be rephrased to limit the scope of subsection (ii) to the intended scope.

PacifiCorp is aware subsection (ii) is in alignment with California's Low-Carbon Fuel Standard rules contained in § 95491(d)(3)(A)(6). This language is proposed for elimination in California's pending rulemaking process due to the burden on utilities. Notably, the same requirement for a utility to obtain VINs is not present in Oregon's Administrative Rules. *See* OAR 340-253-0640. PacifiCorp urges the Department of Ecology to either align rules with Oregon's specific electricity reporting requirements or remove this provision as California has proposed, to ensure broad participation in incremental credit generation.

Currently, in the Oregon Clean Fuels Program, megawatt hours from non-metered utility voluntary programs are eligible to generate incremental credits. To generate incremental credits, PacifiCorp aligns participants within its Blue Sky voluntary renewable program and electric vehicle registration data at the Oregon Department of Motor Vehicles based on customer addresses. This can be stacked with additional utility renewable energy certificate (REC) purchases to bring the carbon intensity (CI) of charging to zero for all nonmetered residential EV charging. PacifiCorp's Blue Sky programs are unbundled REC-only green pricing options, which are not metered.

Requiring utilities to obtain information on EV registrations including the VIN number, in addition to the address for each residential EV is excessive. The information is not readily available from public sources. If not publicly available, utility participation in incremental crediting may be limited by this requirement as the only source for this information would be voluntary disclosure from customers.

Required submission of a "written contractual agreement"

WAC 173-424-300(1)(g)(iii)(D) requires entities that are not the fuel reporting entity submit to the Department of Ecology a copy of "a written contractual agreement" as part of the registration process. This could benefit from clarification whether the Department of Ecology intends for this to be the "Aggregator Designation Form" or a separate contract between the parties that will be required to complete registration of FSE.

Draft Guidance on Residential electric vehicle (EV) charging credit revenue spending and reporting requirements

As shared in the rulemaking presentation, the Department of Ecology intends to incorporate the draft guidance to utilities into the state rules in the future. In doing so, PacifiCorp proposes that the Department of Ecology and the Washington Department of Transportation consider expanding the fourth item on the joint list to include projects proposed by a nonprofit service provider, transit agencies, or other owner of public fleets to also include: **educational and outreach activities related to transportation electrification** as well as **planning activities** such as needs assessments or feasibility studies in support of transportation electrification. While planning activities are permitted for owners of public and private fleets in the third item on the list, it is possible that an entity that does not own a fleet may conduct a needs assessment or feasibility study related to transportation electrification with the goal of evaluating how to deliver benefits to low-income or vulnerable populations. PacifiCorp's experience administering grants under Oregon's Clean Fuels Program has shown that various benefits can result from such projects conducted by these entities.

CONCLUSION

PacifiCorp appreciates the opportunity to provide comments in response to Ecology's informal rulemaking and looks forward to further discussion and collaboration on this program.

Sincerely,

Kate Hawley

Kate Hawley (Mar 22, 2024 13:19 PDT)

Kate Hawley

EV Senior Product Manager

PacifiCorp