

March 19, 2024

Washington Department of Ecology  
Attn: Adam Saul, Environmental Planner  
300 Desmond Drive SE  
Lacey, WA 98503

RE: Rulemaking – Clean Fuel Standard Rule Development

Dear Department of Ecology CFS rulemaking team,

Christianson PLLP is a full-service public accounting firm located in Willmar, Minnesota and has worked with renewable fuel producers for over 35 years, providing technical assistance and professional services that promote industry compliance.

We are honored to be the chosen and trusted fuel pathway third-party validation and verification body for several biofuel producers across our nation that participate in the various clean transportation programs offered in the U.S.

We are writing to share our perspective from our years of experience as an accredited validation and verification body by the California Air Resources Board (CARB) Low Carbon Fuel Standard (LCFS) and Mandatory Greenhouse Gas Reporting Regulation (MRR), as well as the Oregon Department of Environmental Quality (DEQ) Clean Fuels Program (CFP).

We aim to focus our comments below on the following topics:

- Partner rotation within verification bodies;
- Less intensive verification for site visits; and
- Streamlining the accreditation process to approve verification bodies already accredited by one of the existing U.S. low carbon fuel programs.

### **Partner Rotation**

The concept of adding rotation requirements of verification bodies for either a partner rotation or firm rotation has been proposed in U.S. low carbon fuel programs. A partner rotation allows the verification body team to retain its client by switching out the lead verifier. This allows for the retention of the team's knowledge built from extensive time spent understanding the client company's processes, contributing to an efficient and effective audit.

Once an audit team becomes familiar with the various aspects of the client and their documentation, it then allows an auditor to find problem areas or unusual activity more easily for the client.

The audit quality and efficiency improve as the auditor becomes more familiar with the client and their processes. Upon resolution of major items in the first years of a new client audit, the auditor can redirect their time and energy towards other areas, thereby uncovering additional issues that might have been overlooked in the initial year of review.

Currently, public companies in the U.S. are required to rotate only the lead engagement partner every five years. There is no requirement for a whole firm rotation. In addition, the American Institute of Certified Public Accountants (AICPA) stands against an audit firm rotation, stating that a mandatory firm rotation comes at a great expense to audit quality.

A firm rotation rather than a partner rotation is highly disruptive and costly to producers, especially when there is a small pool of accredited verification bodies available. This problem is further exacerbated with lookback periods in place in other states, making it more difficult for producers to find a quality verification body who has also not been utilized in previous verifications or in a consulting capacity.

Our company requests that if there is a desire to implement rotation requirements, that it be a partner rotation rather than a firm rotation, meaning the person leading the verification organization's services for a client be rotated every six to ten years and not the entire verification firm.

### **Less Intensive Verification**

Verification bodies play a crucial role in ensuring fuel producers meet the specified criteria for being considered low carbon. Less intensive verification is utilized in CARB's MRR program (section 95130) and in Oregon's Clean Fuels Program and GHG Reporting Program (340-272-0500 (4)). It provides that verification bodies may opt to do a less intensive verification which removes the requirement of a site visit, if they visited the site in the last two years and issued a positive verification statement.

CARB acknowledges, "there is little change of operation from reporting period to reporting period thus reducing the benefit of annual site visits." Additionally, staff rationale states, "There is no or little risk to the integrity of the program to allow for less intensive verification services without a site visit in the annual verifications for the following two years. This should reduce the cost of verification services which is often passed on to program participants."

We acknowledge the importance of adhering to specified conditions that necessitate comprehensive verification services. These conditions include the issuance of an adverse verification statement or a qualified positive verification statement in the preceding year and the occurrence of a change in operational control of the reporting entity in the previous year.

In closing, in addition to the time and cost-savings benefit to verification bodies and producer clients, less intensive verification reduces the amount of greenhouse gas emissions from traveling to site visits for our many clients spread out throughout the country. In 2023, our team traveled 21,818 miles solely via passenger vehicles, with supplementary air travel to personally visit a portion of our client base. Through less intensive verification, this is an easy way to reduce carbon emissions while maintaining the program's integrity.

### **Streamlined U.S. Accreditation Process**

Washington's low carbon fuel program stands as a cornerstone in the state's commitment to environmental sustainability. Integral to the program's effectiveness is the rigorous verification process conducted by accredited bodies to ensure compliance with carbon intensity standards. Throughout our company's years of experience as an accredited validation and verification body and the increasing number of states and even other countries implementing their own clean fuel programs, we find it important to streamline the process of accreditation for verification bodies.

We hope for Washington to adopt an accreditation process similar to California or Oregon's requirements for those seeking accreditation and a system of reciprocity for existing accredited verification bodies in California or Oregon. Such recognition underscores the shared commitment to environmental stewardship and regulatory excellence, facilitating compliance standards for stakeholders across state boundaries.

Granting reciprocity to California or Oregon accredited verification bodies yields multifaceted benefits. It streamlines administrative processes, reduces regulatory complexity and minimizes compliance burdens.

We suggest a system of reciprocity, so that if a verification body is already accredited in either California or Oregon, then a verification body can go through a simplified process of registration and not have to duplicate efforts or pass through additional barriers.

We at Christianson PLLP thank you for your time and consideration and are grateful to be involved in the rulemaking process. Please reach out to us if you have any questions.

Sincerely,

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