



Sophia Steele

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Sent via upload to: <https://aq.ecology.commentinput.com?id=BsWVfdFP>

Mr. Adam Saul
CFS Rule Lead
Washington State Department of Ecology
300 Desmond Drive SE
Lacey, WA 98503

Re: WSPA Comments on February 2024 Clean Fuel Standard Rulemaking Workshops

Dear Mr. Saul,

Western States Petroleum Association (WSPA) appreciates the opportunity to comment on the Washington State Department of Ecology (Ecology) Clean Fuel Standard (CFS) Rulemaking Workshops, held on February 22, 2024 and February 28, 2024 (identical Ecology staff presentations). WSPA is a trade association that represents companies that provide diverse sources of transportation energy throughout the West, including Washington. This includes the transporting and marketing of petroleum, petroleum products, natural gas, and other energy supplies.

Presented below are WSPA's initial comments on this early phase of rulemaking, based on the Ecology staff slide presentation during the CFS Workshops. The slide number from the side presentation references each WSPA comment.

Sustainable Aviation Fuel (Slide 15)

WSPA supports the elimination of all delays in fuel pathway applications rather than just allowing sustainable aviation fuel (SAF) pathway applications sooner. Specifically, we suggest the removal of the October 1, 2024 date from the CFS language and accept any Tier 2 fuel pathway applications starting immediately. As SAF may be produced along with other renewable fuels such as renewable naphtha and renewable diesel at a given facility, opportunities to enhance renewable fuel availability would be undermined by limiting Tier 2 pathway applications to simply SAF.

Ecology noted in Slide 15 that staff intends "to explore ways of further incentivizing production of low carbon intensity SAF." WSPA would be interested in the results of this Ecology effort and suggests that the exploratory scope be increased to identify further incentives for other low carbon intensity renewable fuels as well.

Third- Party Verification Program (Slides 16)

Based on experience from other jurisdictions, WSPA suggests that Ecology consider the following elements in establishing a third-party verification program:

- Allow certification of fuel pathways that were validated under the California LCFS program or the Oregon CFP without requiring a third-party validation under the Washington CFS.
- All CFS credit generation must be verified, including electricity pathways. Furthermore, CFS credits allocated to electric utilities for residential EV charging should also be verified by a third-party.
- Have no third-party verification requirement on MCON reports (crude oil reports), as not all fuels consumed in Washington are produced by Washington-based refineries.

- Ensure that the third-party validation process does not slow down the review of fuel pathway applications by Ecology (but rather serves to speed up the application approval process).

General Rulemaking Process Questions (Slide 26)

In response to Ecology staff's inquiry on "*hopes and concerns*" for the rulemaking along with "*barriers*" to this rulemaking, WSPA provides following feedback:

- **Fuel Pathways** - WSPA believes that Ecology should review all fuel pathway applications within 30 days. If no response is provided by Ecology within 30 days, then the pathway applications should be certified or deemed complete (and moved to third-party verifier for validation if such a program is in place. Further, WSPA recommends that Ecology certify fuel pathways established under the CA-GREET model or the OR-GREET model along with the WA-GREET model pathways (which would eliminate the redundant step of re-certifying pathways that have already been certified). It is also noteworthy that the California and Oregon programs are currently considering updates to CA-GREET and OR-GREET, respectively. If Ecology elects not to likewise update WA-GREET, Ecology should ensure that applicants would continue to be able to use CA-GREET and OR-GREET certified pathways.
- **Refinery Investment Credit Program and Refinery Renewable Hydrogen Program** - Ecology should expand the CFS to allow CFS crediting under a "refinery investment credit program" for refineries that reduce fossil energy usage and CFS crediting for the production renewable hydrogen for use in refinery applications.
- **MCON Report (crude oil reports)** - Ecology should eliminate this requirement to report crude oil processed at Washington refineries (MCON reports) as a sizable portion of the fuels supplied in Washington originate from refineries that are located outside Washington. If Ecology decides to maintain MCON reporting:
 - Ecology should no longer require MCON reporting on a quarterly basis, but only require MCON reporting on an annual basis.
 - As stated in the Side 16 comment above, no third-party verification should be applicable to the MCON reports.
- **2023 Opening Inventories** - Ecology should clarify how the 2023 opening inventories were managed in the CFS and whether the inventories created deficits or credits or whether the opening inventories were not obligated. If the opening inventories were obligated, WSPA is requesting that Ecology publish, on an aggregate basis, the number of credits and deficits that were generated by the opening inventories.

WSPA appreciates the opportunity to provide comments on this important proposed regulation. If you have any questions, please contact me at (425) 890-9723 or via email at ssteele@wspa.org.

Sincerely,



Cc: Jessica Spiegel - WSPA