



December 13th, 2024

Adam Saul
Rulemaking Lead
State of Washington Department of Ecology (Ecology)
300 Desmond Drive SE,
Lacey, WA 98503

**RE: COMMENTS OF CENTER FOR RESOURCE SOLUTIONS (CRS) ON THE CLEAN FUELS PROGRAM
RULE CHAPTER 173-424 WAC – PUBLIC REVIEW DRAFT #2**

Dear Adam Saul,

CRS appreciates this opportunity to submit comments on the second public review draft of the Clean Fuels Program Rule Chapter 173-424. Our comments pertain to the use of book-and-claim accounting for alternative fuel types and requiring Green-e® Energy certification for unbundled renewable energy certificates (RECs) used to alter the carbon intensity (CI) score of electricity.

BACKGROUND ON CRS AND GREEN-E®

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS provides technical guidance to policymakers and regulators at different levels on renewable energy policy design, accounting, tracking and verification, market interactions, and consumer protection. CRS also administers the Green-e® programs. For over 25 years, Green-e® has been the leading independent certification for voluntary renewable electricity products in North America. In 2023, Green-e® certified retail sales of nearly 125 million megawatt-hours (MWh), serving over 1.3 million retail purchasers of Green-e® certified renewable energy, including nearly 300,000 businesses.¹

Section 173-424-420(11): CRS recommends that producers of alternative jet fuel, sustainable aviation fuel, or alternative marine fuel should be allowed to use RECs through book and claim accounting OR use a utility-specific CI to lower the CI score of electricity used as process energy for creating electrolytic hydrogen.

¹ See the 2024 (2023 Data) Green-e® Verification Report here for more information: <https://resource-solutions.org/q2024-2/>



Washington statute WAC 173-424-630 (5) as well as the California Low Carbon Fuel Standard (LCFS) Title 17, Section 95488.8(i)(1)² allows RECs to be used in book and claim accounting to achieve a lower CI score. Allowing RECs would align alternative jet fuel and alternative marine fuel with other fuel pathways, ensuring fairness and uniformity in program rules. Further, doing so would incentivize renewable energy development. Expanding REC usage creates stronger market signals to scale renewable electricity development, which aids in the long-term goal of system decarbonization.

Section 173-424-600(7): The new subsection on book-and-claim of electricity and biomethane should require the tracking and retirement of attribute certificates.

Book-and-claim accounting practices for renewable natural gas (biomethane) relies on contractual instruments and certificates, such as Renewable Thermal Certificates (RTCs) to demonstrate clean energy use. Language in WAC 173-424-420(2)(3) more sufficiently describes retirement of attribute certificates in qualified tracking systems needed in section 173-424-600(7). Requiring the retirement of these attributes or verifying their contractual delivery for use in renewable energy avoids double counting. Relying on these existing market mechanisms and established best practices facilitates the growth of clean fuels markets.

Section 173-424-630(5): Ensuring the Impact and Integrity of Unbundled RECs through Green-e® Certification

CRS commends the Washington Department of Ecology for its commitment to promoting local and new renewable energy sources, as evidenced by the stipulation in WAC 173-424-630(5)(d) that, starting January 1, 2026, RECs must originate from facilities located in Washington, Oregon, or Idaho, which commenced operations on or after January 1, 2019. This requirement underscores the state's dedication to fostering impactful renewable energy development.

However, to fully realize this objective and prevent potential double counting of unbundled RECs, it is imperative to mandate Green-e® Energy certification for all unbundled RECs utilized to adjust the carbon intensity (CI) of fuel pathways. Green-e® Energy certification provides rigorous verification that each REC is unique and retired appropriately, ensuring that the environmental attributes are not claimed multiple times across different programs or by multiple entities. This certification is crucial for maintaining the integrity of renewable energy claims and upholding consumer trust.

² See more on the CA LCFS here: https://ww2.arb.ca.gov/sites/default/files/2022-12/19-01_updated%20for%20WREGIS%20changes_ADA.pdf



Since one of the ways that the program hopes to achieve impact is through constraining the geographic boundary to western states, including Oregon, Green-e® Energy certification is essential, to avoided allowing RECs from generators being reported for compliance with Oregon's Clean Energy Targets Bill (HB 2021).³

By requiring Green-e® Energy certification for unbundled RECs, Washington's Clean Fuels Program can align with best practices to prevent double counting and ensure that the use of RECs leads to genuine environmental benefits. This approach not only supports the state's goals for local and new renewable energy development but also reinforces the credibility and effectiveness of the program. There is precedent for requiring Green-e® certification in Oregon's Clean Fuels Program⁴, where Green-e® certification is mandated to ensure the credibility and integrity of unbundled RECs. By adopting a similar requirement, Washington can align its program with proven best practices, ensuring that RECs used to lower carbon intensity are verifiable and impactful. This alignment would reinforce Washington's commitment to maintaining the highest standards in its Clean Fuels Program. CRS is happy to further discuss program implementation questions with Ecology.⁵

CRS recommends that WAC 173-424-630(5) be amended to explicitly require Green-e® Energy certification for all unbundled RECs used to modify the CI of fuel pathways. This requirement will ensure that the environmental attributes associated with these RECs are credible, verifiable, and contribute meaningfully to Washington's clean energy objectives

We thank you for this opportunity to provide comments on the Washington Clean Fuels Program. Please feel free to reach out to us with any questions or comments.

Sincerely,
Lucas Grimes,
Senior Manager, Policy

³ <https://www.green-e.org/news/080824>

⁴ <https://www.oregon.gov/deq/ghgp/Documents/cfpOFRSReportFAQ.pdf>

⁵ More information can be found in CRS' Comments on the Rulemaking Advisory Committee #3 Discussion Paper for the Oct. 22, 2020 Advisory Committee Meeting for the OR Clean Fuels Program Electricity 2021 Rulemaking. Available at: <https://resource-solutions.org/document/110520/>