December 16, 2024

Adam Saul Climate Pollution Reduction Program Washington Department of Ecology P.O. Box 47600 Olympia, WA 98504-7600

# RE: Proposed Rulemaking for Chapter 173-424 WAC – Infinium Operations, LLC's Recommendations to Enable Washington to Harness the Profound Decarbonization Potential of eFuels

Dear Mr. Saul,

Infinium Operations, LLC ("Infinium") is pleased to submit supplemental comments regarding the Washington Department of Ecology's ("Ecology") proposed amendments to the Clean Fuel Standard ("CFS"). Infinium respectfully requests that Ecology revisit Part 6 of its proposed regulation (the "Proposed Regulation") pertaining to the sourcing of low carbon intensity electricity ("Low-CI Electricity") as applied to power-to-liquid fuels which are also known as "eFuels." While still in early-stage commercialization, eFuels have been widely recognized by climate think tanks, European policy makers and the aviation industry as holding enormous potential to enable achievement of ambitious but essential climate policy goals. Recent federal policy authorizing Low-CI Electricity sourcing via book-and-claim has changed the policy landscape enabling eFuels. However, Ecology's Proposed Regulations are contrary to this federal policy and effectively foreclose the widescale development and deployment of eFuels in Washington state including sustainable aviation fuel ("SAF"). In addition, the Proposed Regulations are inconsistent with the CFS authorizing statute in that the Proposed Regulations discriminate against out-of-state ("OOS") producers. This comment discusses the benefits of aligning the CFS with the Inflation Reduction Act ("IRA") to standardize Low-CI Electricity sourcing rules, improve economics for eFuels and enable full commercialization of this vital fuel process technology.

#### <u>Infinium</u>

Infinium's mission is to decarbonize the transportation sector through the production of eFuels, an ultra-low carbon fuel alternative to petroleum derived transportation fuels. Infinium eFuels are drop-in replacements for use in planes, ships and motor vehicles without the need for costly infrastructure changes. Infinium's proprietary technology utilizes carbon dioxide (CO<sub>2</sub>) that would otherwise be emitted, renewable power, and water as feedstocks to produce transportation fuels (e.g. eSAF, eDiesel and eNaphtha), with substantial reductions in lifecycle GHG carbon emissions as compared to fossil-based alternatives. Infinium is financially and strategically supported by its investors, including affiliates of Amazon, NextEra Energy, Mitsubishi Heavy Industries, SK Ventures, and AP Ventures. These world leading companies are interested in both reducing their carbon footprints and innovating solutions to current environmental

issues. Infinium operates the first commercial scale drop-in eFuel facility in the world at its plant in Corpus Christi, Texas. Infinium announced a second commercial eFuel facility in West Texas call Project Roadrunner, which will focus primarily on the production of eSAF to decarbonize air transportation.

#### The Critical Issue for eFuels is Access to Low Carbon Intensity Electricity

The critical issue we raise is that the Proposed Regulations preclude the recognition of greenhouse gas ("GHG") emission reductions that are achieved by sourcing Low-CI Electricity delivered over the grid to produce eFuels. By effectively limiting eFuel production facilities to sourcing grid power that includes fossil-based power, the Proposed Regulation precipitously increases the CI of eFuels. Because eFuels effectively convert electricity into drop-in liquid fuels, blocking access to Low-CI Electricity prevents CFS credit generation. Exclusion from CFS revenue opportunities freezes rather than catalyzes the growth of the eFuel industry and the expansion of new sources of renewable power.

The core objective of the CFS program is the decarbonization of transportation fuels in Washington. CFS credit generation opportunities are based on CI reductions achieved as compared to annual CI benchmark standards for diesel, gasoline and fossil jet fuel. Utilizing conventional diesel as the reference fuel, Table 2 of the current CFS regulation establishes a CI benchmark standard of 98.11 gCO<sub>2</sub>e/MJ for 2025. In order to generate CFS credits, fuels used as a substitute for diesel must be certified with a CI score of less than 98.11 gCO<sub>2</sub>e/MJ. Market participants that supply diesel fuel into the Washington transportation market with a CI score in excess of 98.11 gCO<sub>2</sub>e/MJ in 2025 generate deficits that trigger a corresponding obligation to purchase and retire CFS credits on annual basis.

The unavailability of book-and-claim accounting for electricity is uniquely damaging to eFuels producers. It is through the production of electrolytic hydrogen that eFuel producers convert electric energy into molecular energy that after further processing which requires additional process energy is converted into drop-in liquid fuels that replace fossil gasoline, diesel and jet fuel. The issue of whether or not the CFS regulation enables eFuel producers to source Low-CI Electricity and process energy in the same manner as electric vehicles ("EVs") is determinative of whether eFuel producers will be CFS credit generators or CFS deficit generators.

The following estimated CI values for eFuels were determined by internal life cycle analysis (LCA) undertaken by Infinium personnel based on non-proprietary information on eFuels and were developed with reference to the California Low Carbon Fuel Standard ("LCFS"). Under the current LCFS regulations,<sup>1</sup> Low-CI Electricity may be sourced for the production of electrolytic hydrogen used directly for transportation fuel in a fuel cell electric vehicle ("FCEV") or for the production of hydrogen used to produce transportation fuels including eFuels.<sup>2</sup> The

<sup>&</sup>lt;sup>1</sup> While the California Air Resources Board's Governing Board has approved proposed LCFS regulatory changes, the proposed LCFS changes have not yet been submitted to or approved by the Office of Administrative Law as required by the California Administrative Procedures Act. Thus the current LCFS regulations remain effective. <u>See generally</u> Office of Administrative Law, "The Rulemaking Process," at <u>https://oal.ca.gov/rulemaking\_process/</u> and CARB, "Proposed Low Carbon Fuel Standard Amendments," at <u>https://ww2.arb.ca.gov/rulemaking/2024/lcfs2024</u>. <sup>2</sup> <u>See</u> Title 17, CCR, §95488.8(i)(1).



following CI estimates were made on a wells-to-wheels basis with input values from the proposed CA-GREET4.0 model. Using these parameters, the forecasted CI score of sustainable aviation eFuel ("eSAF") produced at an eFuel facility sited in California and utilizing California average grid mix power would exceed 180 gCO<sub>2</sub>e/MJ. To the extent that the same eFuel facility could instead utilize book-and-claim accounting to source zero CI electricity under the current LCFS regulatory structure established by section 95488.8(i)(1)(A)-(B) for both its electrolytic hydrogen production (currently authorized by the California LCFS) and for its process energy (not currently authorized by the California LCFS), the eSAF produced at the eFuel facility would achieve a CI score of less than 3 gCO<sub>2</sub>e/MJ.

Due to the vital importance of Low-CI Electricity sourcing, Ecology's proposal to continue to limit book-and-claim to electricity used to power EVs represents an existential threat to the establishment of eFuel production facilities that would serve the Washington market. Continuing with the analysis, pursuant to Table 3 of the existing LCFS regulation, "CFS Carbon Intensity Benchmarks for 2019 for Fuels Used as a Substitute for Conventional Jet Fuel," an eFuel production facility providing eSAF to the California market would be delivering a fuel that exceeds the 2025 benchmark standard by over 93 gCO<sub>2</sub>e/MJ. In contrast, an eFuel production facility that is authorized to source all of its electricity via book-and-claim could produce and supply an eSAF to be uplifted in California with a CI score of 3, a lower CI score than currently exists for any alternative jet fuel in the LCFS pathways table.

#### <u>Ecology's Proposed Short-term Authorization Allowing</u> <u>SAF and Alternative Marine Fuel Producers to Claim a Utility-Specific CI</u> <u>Unlawfully Discriminates Against Out-of-State Producers</u>

The Proposed Regulations provide at WAC 173-424-420(11) for specific reporting parameters for alternative jet fuel ("AJF"), SAF and alternative marine fuel ("AMF"). The provision states that, "Producers of alternative jet fuel, sustainable aviation fuel, or alternative marine fuel may claim a utility-specific carbon intensity for electrolysis process energy through December 31, 2033. After that date, producers must use the statewide grid average or directly-connected renewable electricity."<sup>3</sup> As is established by WAC 173-424-630 and Table 10 of WAC 173-424-900, only Washington utilities can obtain a utility-specific carbon intensity.

This Proposed Regulation runs counter to RCW 70A.535.030 and is potentially problematic from an Interstate Commerce Clause perspective. RCW 70A.535.030(b)(i) provides: "The rules adopted by the department under this subsection (1) must: (i) Neutrally consider the life-cycle emissions associated with transportation fuels with respect to the political jurisdiction in which the fuels originated and may not discriminate against fuels on the basis of having originated in another state or jurisdiction. Nothing in this subsection may be construed to prohibit inclusion or associated changes in land use in determining the carbon intensity of a fuel; (...)"

Furthermore, the proposed inclusion of a sunset date of December 31, 2033, for these provisions is not well-aligned with the investment recovery period associated with eFuel production facilities. The investment time horizon for production facilities typically extends to at least 20

<sup>&</sup>lt;sup>3</sup> WAC 173-424-420(11)(a).

years. For this reason, we would strongly recommend that the sunset date be removed or at the very least be extended to provide a 20-year period.

#### <u>Low-CI Electricity Sourcing is Essential to the Success of eFuels</u> <u>And eFuels are Essential to Successful Decarbonization</u>

In November 2023, The International Council on Clean Transportation ("ICCT") published a white paper assessing the feasibility of meeting the targets in the Biden Administration's SAF Grand Challenge based on "resource availability, production costs, technology readiness level, and policy support."<sup>4</sup> ICCT's white paper emphasized the importance of eSAF in meeting the 2050 SAF Grand Challenge goal of 35 billion gallons and stated as follows:

Though the technology remains in the demonstration phase, e-fuels have gained significant interest in Europe and other markets due to their 'drop-in' advantages and theoretically unlimited supply.(...) These e-fuels are estimated to be costlier than most biomass-derived SAFs in the near-future, but their costs could rapidly come down as electrolyzer technology matures and the cost of renewable electricity declines (Zhou et al., 2022).<sup>5</sup>

Consistent with ICCT's recognition of the importance of eFuels in the above-referenced white paper entitled <u>Meeting the SAF Grand Challenge</u>, ICCT's 45-day comment letter to the California LCFS rulemaking contained the following comment and recommendation regarding eFuels:

However, we note that as written, the current guidance will restrict the use of e-fuels made from low-CI electricity, as these are not included in the current language. Thus the proposal would effectively restrict low-CI electricity from being eligible for attribution unless it was supplied via a direct electricity connection. However, it is likely that as with most green hydrogen production, grid-connected projects will have greater economic competitiveness due to a higher capacity factor.<sup>6</sup> Therefore, to provide more flexibility for e-fuel pathways based on converting green hydrogen into other fuels, we recommend that CARB treat these pathways' use of low-CI electricity consistent with green hydrogen and direct air capture. This will still maintain crucial safeguards on project vintage, deliverability and double-counting, while providing necessary flexibility for these projects to use renewable electricity supplied via the grid.<sup>7</sup>

<sup>&</sup>lt;sup>4</sup> O'Malley, J., Pavlenko, N., & Kim, Y.H. (2023). Meeting the SAF Grand Challenge: Current and Future Measures to Increase U.S. Sustainable Aviation Fuel Production Capacity. International Council on Clean Transportation. Available at https://theicct.org/wp-content/uploads/2023/11/ID-37-%E2%80%93-SAF-Grand-Challenge-white-paper-letter-40036-v3.pdf.

<sup>&</sup>lt;sup>5</sup> <u>Id</u>.

<sup>&</sup>lt;sup>6</sup> <u>See</u> "Proposed Low Carbon Fuel Standard Amendments, Public Comments Received," Comment #222, ICCT Comments on CFS Amendments, at <u>https://www.arb.ca.gov/lists/com-attach/6886-lcfs2024-</u>

<sup>&</sup>lt;u>AmsCZwFjACcAWQJu.pdf</u> at p.22, internal footnote 65 in ICCT comments to <u>https://theicct.org/publication/fuels-us-eu-cost-ekerosene-mar22/</u>

<sup>&</sup>lt;sup>7</sup> <u>Id</u>. at p. 22.



As noted by ICCT, eFuels are costlier than most biomass derived SAF currently and in the near future. However, there is an opportunity to reduce the cost of eFuels as electrolyzer technology matures and the cost of renewable electricity further declines. Success in driving down the cost of both wind and solar power has been an enormous success story in the US. Optimal CFS policy design can unlock these Low-CI power sources for hydrogen, SAF and eFuels. This aligns with Washington's ambitious goals to expand supply and demand for hydrogen while driving down prices. The CFS is Washington's most powerful and proven tool to introduce and scale these types of Low-CI fuel technologies.

#### <u>Federal Policy Unlocking Low-CI Electricity for SAF Producers</u> <u>Through Existing CFS Regulatory Mechanisms</u> <u>Should be Integrated into the CFS for Both SAF and eFuels</u>

The federal policy referenced earlier in this Comment is focused not solely on eFuels used in the aviation sector but more broadly on all types of SAF that meet the federal CI standard established by section 40B. The following overview of the recently established federal Low-CI Electricity sourcing structure for SAF is provided to serve as the policy basis for Ecology to implement a similar CFS regulatory structure applicable to SAF and hydrogen. Under section 40B of the 2022 Inflation Reduction Act ("IRA"), a federal tax credit of \$1.25-\$1.75 per gallon was established for sustainable aviation fuel that attained a carbon intensity reduction of at least 50% (the "SAF Tax Credit") as determined by either: "(1) the most recent Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA") which has been adopted by the International Civil Aviation Organization with the agreement of the United States, or "(2) any similar methodology which satisfies the criteria under section 211(0)(1)(H) of the Clean Air Act (...)". Section 40B further provides for an additional \$0.01 credit for each additional percent CI reduction above 50%, up to a maximum \$1.75/gallon credit.<sup>8</sup> While we recognize that Section 45Z establishes a Clean Fuel Production Credit for the years 2025-2027, since final guidance on 45Z has not been released and we anticipate the forthcoming guidance will broadly track the 40B guidance, we focus these comments on the Section 40B guidance that has been finalized.

The section 40B SAF Tax Credit provides a strong financial signal to enable fulfillment of Washington's ambitious goals for SAF expansion and displacement of fossil jet fuel. For Washington to realize the full potential value of the SAF Tax Credit to fuel SAF including eSAF, it is essential to align the LCA methodology of the CFS with the LCA methodology established by the U.S. DOE that adheres to Clean Air Act 211(o)(1)(H) criteria as required by the IRA. On April 30, 2024, the U.S. Department of the Treasury and Internal Revenue Service ("Treasury") released guidance on the SAF Tax Credit ("SAF Credit Guidance") that was developed in close partnership with the U.S. Environmental Protection Agency ("EPA"), Department of Agriculture ("USDA") and DOE. As part of the guidance, the agencies comprising the SAF Interagency Working Group jointly announced the 40BSAF-GREET 2024 model ("40BSAF-GREET").<sup>9</sup>

<sup>&</sup>lt;sup>8</sup> Inflation Reduction Act, at Sec. 40B. Sustainable Aviation Fuel Credit.

<sup>&</sup>lt;sup>9</sup> U.S. Department of the Treasury, "Biden-Harris Administration Partners Announce Updated GREET Model to Measure Lifecycle Emissions from Sustainable Aviation Fuels," April 30, 2024, at

<sup>&</sup>lt;u>https://home.treasury.gov/news/press-releases/jy2307;</u> U.S. Department of Energy, "Guidelines to Determine Lifecycle Greenhouse Gas Emissions of Sustainable Aviation Fuel Production Pathways using 40BSAF-GREET 2024" (April 2024), at <u>https://www.energy.gov/sites/default/files/2024-04/40bsaf-greet\_user-manual.pdf</u>, hereafter the "SAF-GREET Guidelines."



The 40B authorization for the use of book-and-claim is best described by the Guidelines to Determine Life Cycle Greenhouse Gas Emissions of Sustainable Aviation Fuels Production Pathways using 40BSAF-GREET 2024 developed by the US Department of Energy (the "DOE 40BSAF\_GREET Guidelines"). The DOE 40BSAF-GREET Guidelines specifically authorize book-and-claim power sourcing as follows:

"Option 2 – Specific source power. 40BSAF-GREET 2024 allows users to use an emissions rate associated with a given type of generator or combination of generators, provided that any electricity that is claimed to be sourced from the subject generator(s) in a given calendar year is verified via the purchase and retirement of RECs that meet specified criteria described in more detail below. These criteria align with the methodology established in the California LCFS (book-and-claim accounting for electricity is primarily addressed in CCR title 17, section 95488.8[1]). Eligible RECs are those purchased within a facility's local balancing authority from zero-CI RPS-eligible generators as defined in the California LCFS, which are assigned a GHG-intensity of zero in 40BSAF-GREET 2024. Specifically, this includes all California RPS-eligible generator types as defined in California Public Utilities Code sections 399.11-399.36 except biomass, biomethane, geothermal, and municipal solid waste, which are not considered zero-CI by the California LCFS. Generator types that are considered zero CI *RPS-eligible as defined in California LCFS include solar thermal, solar photovoltaic,* wind, RPS-eligible hydroelectric generation, ocean wave, ocean thermal, and tidal current. (...)"10

There is strong authority for our position that Ecology should integrate the DOE 40BSAF-GREET Guidelines into the Washington CFS regulatory revisions. The Washington Alternative Jet Fuels Work Group ("AJF Work Group") is convened by the Washington State University Office of National Laboratory Partnerships as required by RCW 28B.30.646. The Washington AJF Work Group seeks to further the development of sustainable aviation as a productive industry in Washington. The AJF Work Group is directed to provide a report with recommendations to the Governor and the appropriate committees of the Legislature by December 1<sup>st</sup> of every even-numbered year until 2028 and recently released the 2024 report.<sup>11</sup> Among the AJF Work Group's recommendations that had a high consensus of support was to:

"Direct the state departments of agriculture, natural resources, commerce, ecology, transportation and other related entities to engage with their federal counterparts as appropriate and provide input/responses to federal RFIs related to SAF supply chain development and deployment."<sup>12</sup>

https://www.energy.gov/sites/default/files/2024-04/40bsaf-greet\_user-manual.pdf, at p. 13.

<sup>11</sup> Washington Alternative Jet Fuels Work Group, "Sustainable Aviation Fuel Updates and Recommendations: Opportunities for Washington," (December 1, 2024), at

https://apps.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=WA%20AJF%20Work%20Group%20 Report%202024%2011%2027%2024\_249d6525-6c9b-4cd3-a76f-1454cacd262c.pdf. <sup>12</sup> Id. at p. 24.

<sup>&</sup>lt;sup>10</sup> U.S. Department of Energy, Guidelines to Determine Life Cycle Greenhouse Gas Emissions of Sustainable Aviation Fuels Production Pathways using 40BSAF-GREET 2024, (April 2024),

<sup>2020</sup> L STREET, SUITE 260, SACRAMENTO, CA 95811 www.InfiniumCo.com



After reviewing the work product of the federal agencies that established the DOE 40BSAF\_GREET Guidelines and engaging with these agencies, Ecology should establish an LCA methodology within the CFS regulation for SAF and eFuels that is consistent with the 40B LCA methodology and leverages the flexibility of RECs. By doing so, Ecology will facilitate greater development of these vitally important new fuels for the hard to abate aviation sector as well as for legacy internal combustion engines. Perhaps most importantly and fully aligned with Washington state policy, Ecology will thereby establish a competitive advantage for Washington state in the SAF sector through alignment with a critical federal policy. Through this regulatory strategy, Washington will also achieve upstream emission reductions and stimulate expansion of Low-CI Electricity generation capacity, storage and transmission.

#### The Unique Value of eFuels Merits Development of Targeted eFuel Policies

Last month, the Transportation Energy Institute ("TEI") released a report on eFuels focused primarily on on-road fuels. The report included a section entitled, "Key Actions Needed To Support E-Fuel Uptake." TEI's recommendation #3 is: "Implement Policies to Further Incentivize Market Development." The TEI report states, "Policy makers could consider mandating a minimum share of e-fuel use in the road transport sector."<sup>13</sup>

Consistent with the recommendation of the TEI report and the ICCT analysis, Infinium encourages Washington to adopt distinct targets for eFuels. The State could follow the European Union's and United Kingdom's lead in adopting such targets in the future for the reasons indicated above by ICCT- "*their 'drop-in' advantages and theoretically unlimited supply*".<sup>14</sup> There is significant precedent in this respect including the European Union's ("EU") determination that eFuels are an essential component in the transport sector toward achieving the EU's carbon neutrality goals.

The EU ReFuelEU Aviation program mandates steadily increasing blends of SAF for flights originating and departing in the EU with a sub-mandate for synthetic eFuels of 35% by 2045, as depicted in the following chart.<sup>15</sup> In the road sector, under the Renewable Energy Directive ("RED"), eFuels must be blended to a minimum of 1% by 2030, with member countries planning to adopt higher quotas of up to 5.5%. In the marine sector, under the FuelEU Maritime program, eFuels expect play an outsized role in meeting the sector decarbonization mandate of 80% reduction in GHG emissions by 2050.

<sup>&</sup>lt;sup>13</sup> Transportation Energy Institute, "E-fuels: Evaluating the Viability of Commercially Deploying E-fuels in Road Transport," (November 2024), at <u>https://www.transportationenergy.org/research/reports/e-fuels-evaluating-the-viability-of-commercially-deploying-e-fuels-in-road-transport/</u>.

<sup>&</sup>lt;sup>14</sup> O'Malley, J., Pavlenko, N., & Kim, Y.H. (2023). Meeting the SAF Grand Challenge: Current and Future Measures to Increase U.S. Sustainable Aviation Fuel Production Capacity. International Council on Clean Transportation. Available at <u>https://theicct.org/wp-content/uploads/2023/11/ID-37-%E2%80%93-SAF-Grand-Challenge-white-paper-letter-40036-v3.pdf</u>.

<sup>&</sup>lt;sup>15</sup> See TOPSOE, "The Outlook for SAF," <u>Timeline 3: The Course of Legislation</u>, available at <u>https://www.topsoe.com/sustainable-aviation-fuel/saf-outlook</u>.

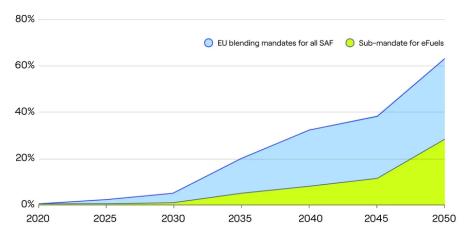


Chart: EU blending mandates for all SAF and sub-mandate for eFuels

#### Alignment with Other eFuel Producers

We note that two of the companies that are working to establish eFuel production facilities in Washington state have previously submitted comments to this rulemaking that are generally aligned with Infinium's comments regarding book-and-claim sourcing of electricity.

SkyNRG has selected Washington as the location for its first US project and stated in part:

#### Book-and-Claim - Electricity

"SkyNRG intends to either secure low-carbon energy directly or purchase Renewable Energy Certificates (RECs) for Project Wigeon. However, we have concerns regarding potential restrictions on deliverability and additionality for renewable electricity. Washington State boasts one of the cleanest energy grids and some of the strongest climate legislation in the country. Despite this, investments are already being put on hold due to potentially restrictive legislation such as the Section 45V Clean Hydrogen Production Tax Credit. Specifically, the current 45V guidance requires hydrogen to be produced from new, clean generation added to the grid within a 36-month timeframe. This essentially eliminates the low carbon baseload energy from hydropower which supports the Washington State grid. Similarly, Ecology's consideration of a requirement for electricity generating facilities to be built on or after January 1st, 2023, or for the electricity to come from incremental efficiency improvements made on or after January 1st, 2023, would create an even greater constraint. To drive the expansion of clean energy development, it is imperative that companies like SkyNRG have the flexibility to purchase RECs from sources beyond Washington State. This approach not only contributes to meeting carbon reduction objectives but also fosters the development of new clean energy focused facilities in Washington. (...)"

On this issue, the company Twelve that is constructing a facility in Moses Lake stated in part:

"With respect to slides 8-9 of the September 12 workshop presentation,5 and specifically Ecology's "plan to add" an additionality requirement for electricity book-and-claim, we believe such a provision is not needed and would directly contradict the Washington State Department of Commerce's (Commerce) position on additionality. Commerce, of course, implements the Washington Clean Energy Transformation Act.

Last summer, in the context of the forthcoming federal regulations on the clean hydrogen production credit (i.e., the section 45V credit) under the Inflation Reduction Act, Commerce, ostensibly with the support of the Governor's Office, wrote to the Internal Revenue Service (IRS) and explained that "[t]he case for an additionality requirement is unfounded in Washington state because of its statutory 100% clean electricity standard and its statutory GHG cap-and-invest regulation." Commerce continued:

[An] additionality restriction[] [is] not only unnecessary in a statutory clean energy state such as Washington, [it] would also complicate the development of electrolytic hydrogen production . . .

...An additionality requirement would prevent the use of electricity from existing hydroelectric, wind, solar, or nuclear generating facilities even if those facilities are most suitable to serve a particular hydrogen production facility and even if state law ensures this use would not result in any increase in GHG emissions.

Earlier this year, Commerce reiterated this position in the Pacific Northwest Hydrogen Hub's formal comments on the IRS' December 26, 2023, proposed rule under section 45V. (...)" (footnotes omitted)

#### **Enabling Book-and-Claim Electricity Sourcing for eFuels is Essential to Enable Fulfilment of Washington's Statutory Goals**

Washington's Climate Commitment Act ("CCA") charts Washington's path to achieve carbon neutrality by 2050. As stated on the Ecology website:

#### A commitment to change

The CCA outlines the emissions-reduction targets the state must meet in the coming decades — and meeting these targets isn't optional, they're legal limits set in state law. Using 1990 emissions levels as the baseline, Washington is required to reduce its emissions by 45% by 2030, by 70% by 2040, and by 95% by 2050. What's more, we're required to offset that remaining 5% using carbon reduction, removal, or avoidance projects, making the state fully carbon-neutral in just 37 years.<sup>16</sup>

<sup>&</sup>lt;sup>16</sup> Washington Department of Ecology, "The Climate Commitment Act: Washington's path to carbon-neutrality by 2050," available at <u>https://ecology.wa.gov/blog/february-2022/the-climate-commitment-act-washington-s-path-to-ca#:~:text=Using%201990%20emissions%20levels%20as,neutral%20in%20just%2037%20years.</u>



In addition to the CCA, the Port of Seattle was the first United States airport operator to set a specific timetable and goals for transitioning all flights from SEA to commercially competitive SAF. The Port has set the goal of powering every flight fueled at SEA with at least a 10% blend of SAF by 2028.17

Due to the importance of Low-CI Electricity to the production of eFuels, and the importance of eFuels in meeting both Washington's goals including the 2050 carbon neutrality goal, goal to displace fossil jet fuel with SAF, and goal to become a SAF production hub, we respectfully recommend that Ecology modify the proposed CFS amendments such that eSAF and other SAF production facilities are authorized to procure Low-CI Electricity for electrolytic hydrogen production and their other process energy needs via book-and-claim accounting and RECs in full alignment with the DOE 40BSAF-GREET Guidelines.

Thank you for the opportunity to provide comments. Should you have any questions or would like additional information, please feel free to contact me at dzaziski@InfiniumCo.com.

With kind regards,

David Zaziski, Ph.D. Vice President, Policy & Government Affairs

<sup>17</sup> Port of Seattle, "Sustainable Aviation Fuels," https://www.portseattle.org/page/sustainable-aviation-

fuels#:~:text=The%20Port%20of%20Seattle%20was.fuel%20(SAF)%20bv%202028. 2020 L STREET, SUITE 260, SACRAMENTO, CA 95811 www.InfiniumCo.com