

Port of Seattle

Dear Mr. Saul,

As previously expressed, the Port of Seattle has significant concerns with the proposed changes to the "regionality" requirements for renewable natural gas (RNG) in the proposed Clean Fuel Standard rulemaking, as well as the additionality requirements. The Port is very much in agreement with the principles of additionality for greenhouse gas reductions, but we feel the proposed manner in which this is addressed for RNG creates a very inequitable standard for reaching emission reduction targets.

From a regionality perspective, the Port would like to emphasize that only one third of natural gas that enters Washington stays in the state; about 65% of it continues south to Oregon and California. That means that >50% of flow is always in a southern direction and effectively means that any user of RNG in Washington state must be physically restricted to the south of a given project if they are to meet the proposed 50% requirement.

Given that the majority of the state's landfills and agricultural regions are to the south of population centers where fleets operate, this would cause almost all RNG produced in WA to be unqualified for the state's CFS. This is counter to the purported economic development aim of a "regionality" qualification for low carbon fuels. We suggest limiting regionality to interstate pipeline connectivity, but if the state insists on some kind of regionality, we suggest the use of a geographic range rather than within a particular flow direction.

Secondly, the additionality requirements proposed for RNG projects are out of line with the typical CAPEX/OPEX cost recovery for these types of facilities, as discussed with you by phone and follow-up email several months ago. Other low carbon projects such as solar have a much higher CAPEX requirement compared to OPEX. Thus, projects once built tend to keep running. RNG facilities are fundamentally different. While significant upfront capital investment is necessary, keeping these facilities operating entails a proportionally higher ongoing OPEX outlay on staffing, process energy procurement, logistics of feedstock procurement and digester cleanouts, maintenance, and replacement of rapidly amortizing assets such as compressors, etc.

If the additionality requirements were to be in line with the typical amortization of a new RNG facility, a 15 year timeline from commencement of operation would be much more reasonable.

Thank you for your consideration.