



December 13, 2024

Washington Department of Ecology
Attn: Ms. Abbey Brown
Clean Fuel Standard Technical Lead
Post Office Box 47600
Olympia, WA 98504-7600

Subject: Comments on Proposed Amendments to Chapter 173-424 WAC Clean Fuels Program Rule

Dear Ms. Brown,

The American Biogas Council (ABC) appreciates the opportunity to comment on proposed amendments to the Washington Clean Fuels Program. ABC is the voice of the U.S. biogas industry, representing over 400 companies across the biogas supply chain. Our members are dedicated to maximizing carbon reduction and economic growth through biogas systems, which recycle organic material into renewable energy and soil products.

We have significant concerns regarding the proposed rules, particularly the limitations on avoided methane crediting periods, deliverability requirements, and restrictive eligibility criteria. These provisions risk deterring investment in Washington's Clean Fuels Standard (CFS) program and fail to address the economic realities of biogas projects, including the challenges faced by small and medium-sized farms.

Key Concerns:

- **Crediting Periods:** The proposed 15-year crediting period for avoided methane emissions under Washington's Clean Fuels Program is insufficient to attract investment, as anaerobic digesters typically operate for 25–30 years or more, providing sustained methane capture and emissions reductions over their operational lifespan. Emission reductions continue to occur for the life of the methane capture project (i.e., the biomethane digester's asset life). Therefore, the crediting period for avoided emissions should mirror the asset life of the capture technology, which is far greater than 15 years. We strongly oppose the 15-year crediting period and encourage the Department of Ecology to adopt a crediting period that reflects the full lifespan of the equipment to ensure continued investment and emissions reductions. Limiting credits to such a short period undermines project viability, fails to align with the asset life of methane capture technology, and jeopardizes continued investment in these critical systems. Additionally, such changes place these projects at a significant disadvantage, risk potential shutdowns, and will undoubtedly stifle investments in new projects. Avoided methane emissions are a cornerstone of science-based life cycle assessments, and their inclusion in carbon intensity (CI) scores aligns with internationally recognized carbon accounting standards. Methane, being 30 times more potent than CO₂, necessitates robust climate policies that address short-lived climate pollutants and build on the agricultural sector's demonstrated success in reducing emissions. Disallowing longer crediting periods and implementing policies that undermine the economic viability of anaerobic digesters and the vital role the agricultural community plays, hinder progress and jeopardize Washington's ability to achieve its greenhouse gas (GHG) reduction goals.

- Deliverability Requirements:** Establishing a 50% physical flow requirement for biomethane used in transportation fuels, electricity generation, or as a feedstock for hydrogen, jet fuel, or renewable diesel is unnecessary at this early stage of Washington's Clean Fuels Program. Such restrictions unnecessarily complicate the program, deter investment, and limit market flexibility, particularly for out-of-state projects that produce low-CI biomethane. These measures do not alter the way molecules flow through the gas system but instead introduce inefficiencies and unnecessary barriers that hinder the development of Washington's Clean Fuels Program. Additionally, restricting REC sourcing to Washington, Oregon, or Idaho is overly narrow and counterproductive. Maintaining eligibility across the broader Western Electricity Coordinating Council (WECC) region, as aligned with other successful West Coast programs, supports broader market participation, fosters program growth, and maximizes environmental benefits. Introducing deliverability requirements, whether for physical flow or REC sourcing, at this early, developmental stage of Washington's program will only hurt its advancement by increasing costs for renewable fuel producers, reducing the supply of low-carbon fuels entering Washington, and creating unnecessary obstacles. We strongly recommend adopting a more inclusive approach to ensure flexibility, efficiency, and the program's long-term success.
- Early Movers Penalized:** Projects operational before 2023 continue to reduce emissions and make significant contributions to methane abatement but are unfairly penalized with reduced crediting periods under the proposed rules. The avoided methane crediting period for these projects is subject to a sliding scale that diminishes eligibility based on the year a facility began operations. For example, a facility that started operation in 2022 is limited to a 14-year crediting period, while a facility that began in 2020 is eligible for only 12 years. Facilities that began operations before 2009 are excluded entirely from avoided methane crediting, regardless of their ongoing emissions reductions. This approach fails to recognize the sustained environmental benefits provided by older projects and discourages long-term investment in biomethane production. Penalizing these projects undermines the goals of the Clean Fuels Program by reducing incentives for continued participation in methane abatement efforts. To ensure equitable treatment and maximize the program's environmental benefits, all projects should be credited based on their ongoing contributions, regardless of their start date.
- Economic Viability:** The draft rules disproportionately impact smaller dairy farms, which constitute 75% of Washington's dairies, limiting their ability to participate in the Clean Fuels Standard (CFS) program and stifling the potential for in-state energy production and clean energy expansion. With approximately 260 dairy farms and 218,000 milk cows in the state, only 23 farms have 2,500 or more mature milking cows, and just seven have 5,000 or more, where digester development may be economically feasible without robust incentives. By contrast, 88% of Washington dairy farms have fewer than 2,000 cows, and 75% have fewer than 1,000, making them unable to deploy anaerobic digestion technology without significant market incentives and funding support. Under the proposed rules, new projects breaking ground after 2023 are limited to two seven-and-a-half-year crediting periods for avoided methane, which is insufficient for most projects to achieve a return on investment. This structure not only disqualifies roughly half of Washington's existing operational dairy digesters from receiving credits, but also deters private investment in new projects, leaving only the largest farms viable for participation. Small-scale family farms, already grappling with volatile milk prices, high environmental regulatory costs, and the need to diversify revenue streams, will be the most negatively affected. Unlike other industries, dairies cannot adjust their product pricing to offset the additional costs of implementing anaerobic digestion or other climate-smart technologies. Without adjustments to these rules to provide substantial support for smaller farms, Washington risks excluding the majority of its dairy sector from contributing to renewable energy goals and climate mitigation efforts.

Washington's program must prioritize policies that encourage broad participation and long-term investment. Expanding crediting periods, avoiding restrictive deliverability requirements, and aligning with successful

practices like WECC-wide book-and-claim accounting will foster market growth, attract investment, and support the state's clean energy goals.

The American Biogas Council is committed to working with Ecology to develop balanced and effective policies that promote the success of the Clean Fuels Program and advance Washington's leadership in renewable energy and climate action.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Serfass". The signature is fluid and cursive, with the first name "Patrick" and last name "Serfass" clearly distinguishable.

Patrick Serfass, Executive Director

About the American Biogas Council

The American Biogas Council is the voice of the US biogas industry dedicated to maximizing carbon reduction and economic growth using biogas systems. We represent more than 400 companies in all parts of the biogas supply chain who are leading the way to a better future by maximizing all the positive environmental and economic impacts biogas systems offer when they recycle organic material into renewable energy and soil products. Learn more online at www.AmericanBiogasCouncil.org, Twitter [@ambiogascouncil](https://twitter.com/ambiogascouncil), and [LinkedIn](https://www.linkedin.com/company/ambiogascouncil)