



March 1, 2024

Washington Dept. of Ecology
300 Desmond Drive SE
Lacey, WA 98503

RE: FuSE Comments on the Clean Fuel Standard 2024 Participation Fee

Energy Mission Control, Inc. dba FuSE Carbon Technologies (FuSE) appreciates the opportunity to provide commentary to Ecology regarding the proposed 2024 participation fee for the Washington Clean Fuel Standard.

Per Ecology's WA CFS website, there were 380 total registered participants in the program as of late January 2024, of which 156 entities are shown to be deficit generators, implying a minimum of 224 credit generators. The proposed fee is \$268 per participant, which means credit generators are responsible for funding \$60,032. We believe this amount has already been covered from 2023 overcollection, several fold, by the credit generators who registered in 2023 and were invoiced \$982 for that year's participation.

In 2023, credit generators were responsible for \$93,299. At the time that this amount was published in mid-March 2023, there were 95 credit generators included in the budget calculations. However, as confirmed by Ecology staff, every credit creator that registered in 2023 was charged the full \$982, with exception for those withdrawing from the program prior to generating any credits.

While this data is not published, if we assume a maximum of 80% of the 224 credit generators reported as of January 24, 2024, were also registered to participate in the program in 2023, we can assume that Ecology collected \$982 from ~180 credit-generating entities, totaling \$176,760. If correct, this sum raised by credit generators in 2023 alone is more than the amount needed to satisfy the relative financial responsibility for credit generators in both 2023 and 2024 (totaling \$153,331).

ECY has alluded that 2023 corrections will be applied to the 2025 compliance period participation fees. FuSE requests ECY ensure that 1) any overcollection be applied to credit generators exclusively, and 2) that 2023 (and 2024 overcollection, if known) be used to "make whole" the many businesses who overpaid in 2023 via a fee credit toward any future required participation fees.

As it currently stands, though much reduced from 2023, a participation fee of \$268 represents a barrier to entry for many Washington businesses and decreases accessibility and equity. This is especially true for those reporting under the electricity provision of the program where credit generation for electric vehicle charging is already relatively lower on a per-registered entity basis compared to other fuel types. The 2024 fee is currently equal to the value of at least 6 CFS credits if sold on the open market today



(~\$41/credit) and, though not a large individual volume, is unobtainable to many small businesses in a timeframe that justifies the upfront costs.

FuSE also suggests that ECY consider revisions to the participation fee in future rulemakings to adjust the March 15th budget deadline requirement to later in the calendar year when full current-calendar participation can be properly evaluated. This will offload the burden of financing the program from credit generators entirely to drive adoption of the CFS and to cement it as a truly equitable tool in the advancement of decarbonizing Washington's transportation sector.

Sincerely,

Energy Mission Control, Inc. dba FuSE Carbon Technologies

CC: Todd Trauman, CEO
Colby Green, Director of Business Development
Elaine O'Byrne, Director of Operations