Bridge to Renewables, Inc.
1 Thomas Circle, NW
Ste 700
Washington, DC 20005

May 31st, 2024

VIA ELECTRONIC FILING

Adam Saul, CFS Rule Lead
Department of Ecology
State of Washington
P.O. Box 47600
Olympia, WA 98504-7600

RE: BTR's Comments on Clean Fuel Standard (CFS) May 8th, 2024 Rulemaking Workshop

Dear Mr. Saul and CFS and Climate Pollution Reduction Program Staff,

Bridge To Renewables, Inc. (BTR) is pleased to provide comments on potential changes to Washington's Carbon Fuel Standard ("CFS") program in response to the CFS Rulemaking Workshop on May 8th, 2024. We appreciate the opportunity to engage with Department of Ecology ("ECY") staff during this process.

Introduction

We understand and commend ECY's desire to make improvements to the CFS program. However, we are concerned that ECY's proposals to introduce third-party verification requirements on metered residential EV charging and new, restrictive requirements on book-and-claim electricity will impose unnecessary costs and significantly reduce incentives for electric vehicle OEMs ("EV OEMs") to participate in the CFS program. This would have the perverse effect of both reducing the accuracy of residential EV charging and excluding a set of stakeholders that play a core role in enabling and accelerating the transition to a low-carbon transportation future.

Third Party Verification

BTR supports ECY's programmatic goal of ensuring "accurate data collection while limiting costs and onerous or impractical requirements."[1]

[1] Clean Fuel Standard Rulemaking, Climate Pollution Reduction Program, May 8th, 2024, Slide Deck, page 17.

As we and several EV OEMs noted in comments filed on March 9th, 2022, [2] during the development stage of the CFS program, EV OEMs play a particularly valuable role in measuring the benefits of transportation electrification in clean fuels programs. Specifically, EV OEMs collect EV operating data, including quantum, timing, and coordinates of charging, via on-board telematics, which provide an accurate measure of the kilowatt-hours (kWh), duration and geolocation of unique vehicle charging sessions. These data allow for a reliable accounting of the amount of electricity used as a transportation fuel, which in turn offers programmatic value in residential settings, where roughly 80% of charging takes place today. EV OEMs therefore *facilitate the verification* of the environmental impact of clean fuels programs.

In addition to the fidelity of the EV telematics data itself, we note that ECY already requires that EV OEMs or their designated aggregators "provide a sample of charging data and accounting methods, based on geofencing, to demonstrate that the methodology sufficiently addresses and prevents double counting of non-residential charging" at the time of FSE registration. [3] In other words, there already exists an additional layer of assurance each time a new vehicle participates in the program.

We therefore believe that ECY's current approach to metered residential charging ensures "accurate data collection while limiting costs and onerous or impractical requirements." This is particularly true since EV OEMs can generate only "incremental" credits from metered residential charging, and only if that charging is paired with Renewable Energy Certificates ("RECs").

Conversely, we believe that ECY's proposal to include third-party verification requirements for metered residential charging specifically is problematic for several reasons.

- If the third-party verification requires site visits, it may present privacy issues for residential EV charging, and be impractical given the potentially hundreds of thousands of vehicles reporting.

- By exempting non-metered residential EV charging, ECY excludes utilities from any third-party verification requirements for the base credits they are awarded based not on accurate data but, rather, under the current methodology, on *estimates* of residential charging in their service territories.

- It imposes additional costs on EV OEMs, who must also bear the REC cost and any associated costs of collecting vehicle telematics data to generate incremental credits for metered residential EV charging.

---

[2] Rulemaking - Informal Comment Period for Chapter 173-424 WAC, Clean Fuels Program Rule, Comment Letter submitted on behalf of BTR and 7 EV OEMs, March 9th, 2022.

[3] Clean Fuel Standard Participation Guidance, Claiming Incremental Credits for Metered Residential EV Charging, February 2024

Book-and-Claim - Electricity

During the May 8th workshop, ECY laid out four components of book-and-claim accounting for low-carbon-intensity (low-CI) electricity that is paired with EV charging, namely deliverability, additionality, temporal matching, and documentation. [4]

ECY's current programmatic approach to address these components is as follows. [5]

- Deliverability: RECs must be generated from facilities located in and delivering power into the Western Electricity Coordinating Council (WECC).
- Additionality: Unbundled RECs must meet the safeguards to prevent double counting outlined in the Washington Clean Energy Transformation Act [6] including, but not limited to, that it "was not delivered, reported, or claimed…under a GHG program," including those outside of Washington state.
- Temporal Matching: The RECs used for retirement must be associated with power generated in 2023 or later and retired within three quarters of generation.
- Documentation: RECs must be certified by and recorded and retired in WREGIS.

The deliverability requirements align with those of the Oregon Clean Fuels Program ("CFP"); the temporal matching requirements align with those of the California Low Carbon Fuel Standard ("LCFS"); and the additionality and documentation requirements align generally with the principals and processes of both the CFP and LCFS.

BTR therefore views the current requirements, guidance on which was published less than one year ago, as well aligned with other Washington statutes and other clean fuels programs.

Nevertheless, during the May 8th workshop, ECY proposed to restrict the RECs eligible for book-and-claim accounting to (i) those associated with power physically delivered to Washington and (ii) those from facilities built or modified for greater efficiency on or after Jan 1, 2023.

BTR strongly believes that if these proposals are finalized the volume of RECs eligible for book-and-claim electricity in the WA CFS will be at best drastically reduced and most likely eliminated altogether.

According to data available from WREGIS [7], there is only one facility that meets both of these criteria: the 150 MW Lund Hills Solar plant, which is contracted under long-term PPA to Puget Sound Energy to support claims made under its Green Direct program.[8] Moreover, that same

---

[4] Clean Fuel Standard Rulemaking, Climate Pollution Reduction Program, May 8th, 2024, Slide Deck, page 21.
[5] Clean Fuel Standard Participation Guidance, Retiring Renewable Energy Certificates (RECs), Revised May 2024
[6] https://app.leg.wa.gov/WAC/default.aspx?cite=194-40-420
[7] WREGIS Public Report Actige Generators, April 23rd, 2024
[8] https://www.avangrid.com/w/avangrid-s-lund-hill-washington-state-s-largest-utility-scale-solar-farm-achieves-commercial-operation

data shows that of the 200-plus facilities registered in WREGIS, generating electricity in Washington, and powered by resources eligible under ECY's REC book-and-claim requirements, the overwhelming majority are associated with or contracted to utilities for Renewable Portfolio Standard (RPS) purposes. In all of these cases, since the RECs are claimed for use in another GHG program, they cannot simultaneously be eligible for use in the WA CFS.

A cursory analysis of data from the Green-e program, which ECY is proposing to consider as an additional requirement, on listed facilities in Washington provides a similar perspective: the overwhelming majority are contracted to utilities for Renewable Portfolio Standard (RPS) purposes and none of them were built on or after January 1st, 2023.[9]

BTR is concerned that ECY has proposed these changes, which presumably it believes are desirable, without adequate analysis of whether they are feasible. As noted above, publicly available data indicates that they are not. It further indicates that the programmatic implications of ECY's proposals would be to effectively eliminate the viability of book-and-claim accounting. This would not only leave EV OEMs with no viable incentive to participate in the CFS, but also impact other entities who rely on book-and-claim accounting of electricity to generate credits in the program.

Conclusion and Recommendations

As outlined above, BTR is concerned that ECY's proposals to introduce third-party verification requirements on metered residential EV charging and new, restrictive requirements on book-and-claim electricity will impose costs and significantly reduce or eliminate incentives for electric vehicle OEMs ("EV OEMs") to participate in the CFS program.

Finalizing these proposals would likely mean that EV OEMs, who produce and sell the electric vehicles that will ultimately scale light-duty transportation decarbonization in Washington could be eliminated from the value chain of CFS entirely, a departure from the first principles of clean fuels programs.

BTR therefore recommends the following:

Third-Party Verification:

- ECY should exempt both non-metered and metered residential EV charging from third-party verification requirements.

[9] https://www.green-e.org/sfdc/reports-data.php

- If ECY chooses not to explicitly exempt metered residential EV charging, it should exempt EV OEMs or their designated aggregators if they have already undergone verification in the LCFS or CFP.

Book-and-Claim – Electricity

- ECY should maintain its current programmatic REC eligibility requirements for book-and-claim accounting of electricity published in its Clean Fuels Standard Participation Guidance on Retiring Renewable Energy Certificates (RECs).
- ECY should undertake a resource adequacy analysis to understand what adjustments it might make in the future that could facilitate newer and more proximate supplies of book-and-claim RECs while maintaining the viability of incremental credit generation for all pathways.

We thank you again for the opportunity to provide these comments, and we look forward to continued engagement with ECY staff.

Sincerely,

John (Jack) Barrow
Chief Executive Officer
Bridge to Renewables