

NW Natural

Please see attached comment letter.

Adam Saul
Washington Department of Ecology
Clean Fuels Standard Program

June 7, 2024

Dear Mr. Saul,

NW Natural continues to support reducing the carbon intensity of transportation fuels. To this end, NW Natural encourages the Washington Department of Ecology to adopt an expansive approach to book-and-claim accounting because it will promote the development of emissions-reducing fuels the program aims to incentivize. Overly restrictive requirements, such as the proposed additionality and geographic requirements, will undermine the effectiveness of this proven mechanism for driving investment in cleaner fuels.

The Clean Fuels Standard acknowledges that biomethane can play a crucial role in reducing the transportation sector's carbon intensity.¹ Biomethane such as renewable natural gas can be directly injected into existing gas pipelines, thereby efficiently utilizing already installed refueling infrastructure.² And in areas where the electricity grid currently has a high carbon intensity, renewable natural gas may be the only viable option to reduce emissions in the immediate term.³ Ecology staff have "recognize[d] the potential benefits of allowing the use of RNG for the production of renewable fuels through the broader application of book and claim accounting."⁴

NW Natural agrees that book-and-claim accounting is a proven means of driving emission reductions and, thus, encourages Ecology to consider biomethane injected into any pipeline in North America to be eligible for compliance under the Clean Fuels Standard via book-and-claim accounting and to exempt gas utilities from any potential additionality requirement.

First, geographically restricting where biomethane must be injected arbitrarily limits the greenhouse gas emissions reductions that would otherwise occur. After all, because the effects of greenhouse

¹ See, e.g., WAC 173-424-210(2).

² Dr. Roberto Sardenberg, et al., Renewable natural gas a complementary solution to decarbonizing transit, 25 (June 30, 2022), https://static1.squarespace.com/static/53a09c47e4b050b5ad5bf4f5/t/62bdf4e8e42b610e39285083/1656616169512/CUTRIC_Renewable-Natural-Gas-as-a-Complementary-Solution-to-Decarbonizing-Transit_June-30-2022.pdf.

³ *Id.*

⁴ Washington Department of Ecology, Concise Explanatory Statement – Chapter 173-424 WAC, Clean Fuels Program Rule & Chapter 173-455 WAC, Air Quality Fee Rule, 74 (Nov. 2022), <https://apps.ecology.wa.gov/publications/documents/2202057.pdf>.

gas emissions are global, reducing these emissions anywhere—within Washington or otherwise—creates a climate benefit everywhere.

Biomethane, colloquially referred to as renewable natural gas or RNG, is physically identical to traditionally produced natural gas⁵ and, as a result, cannot be physically tracked to an end-user once they are injected into the pipeline system. As such, imposing geographic constraints on where the biomethane must be injected into the pipeline system does not result in any additional benefit to Washington because the molecule that comes out of the pipeline cannot be identified as biomethane or traditional methane. Information documenting the injection of the biomethane in the first instance ensures that climate benefit occurs, and the payment for the biomethane for use by Washington residents ensures that the State can claim that benefit. Reducing the pool of eligible biomethane will only serve to reduce the effectiveness of the Clean Fuels Standard.

Second, gas utilities subject to the Climate Commitment Act (CCA) should be exempt from the additionality requirement. The CCA aims to reduce statewide emissions 95% below 1990 levels by 2050 and requires emission reduction compliance measures to be implemented towards this goal on an annual basis. Procuring biomethane is one of the few CCA compliance options availability to utilities.

An additionality requirement would the set the Clean Fuels Standard at odds with the CCA because utilities likely would default to applying all biomethane purchases toward their stringent CCA compliance obligation. But without an additionality requirement, the Clean Fuels Standard would enable utilities to procure *more* biomethane by offsetting the cost to customers. The CCA will necessitate a monumental shift in Washington's energy infrastructure, and all emissions-reducing incentives should be on the table to cost-effectively manage this transition.

Third, Ecology should adopt temporal requirements that are practical for proper accounting of the biomethane. Ecology should allow environmental attributes to be claimed within the same or subsequent calendar year the gas was injected into a pipeline. This allows for the administrative timeline required for generation of proper documentation for book-and-claim accounting. If Ecology narrows the temporal requirements too stringently and requires that gas must be injected and credits must be retired in the same reporting period, it might inadvertently make biomethane generated at the end of each year or reporting period unable to be purchased and used in the Clean Fuels Standard because of administrative lag of credit generation and retirement.

⁵ Unlike traditionally produced natural gas, however, biomethane can have a significantly lower or even negative carbon intensity value. See California Air Resources Board, *LCFS Pathway Certified Carbon Intensities*, <https://ww2.arb.ca.gov/resources/documents/lcfs-pathway-certified-carbon-intensities> (last visited May 26, 2023).



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There is no way around the fact that new energy infrastructure to reduce emissions comes with upfront costs. Book-and-claim contracts for emissions-reducing energy decreases the costs of the energy transition while resulting in the same climate benefits.

Sincerely,

NW Natural