

Cascade Natural Gas Corporation

Please see attached comment letter pdf from Cascade Natural Gas Corporation



Submitted electronically via the [Department of Ecology's Public Comment Form](#)

June 7, 2024

Washington Department of Ecology
Clean Fuels Program

Cascade Natural Gas Corporation (Cascade) is a local distribution company serving over 300,000 customers located in communities across Washington and Oregon. Our infrastructure serves an essential role supporting grid reliability, and we are proud to be actively exploring opportunities to integrate lower-carbon fuels such as renewable natural gas (RNG) into our system. Cascade appreciates the opportunity to submit comments for consideration in the Clean Fuel Standard rulemaking and other Climate Pollution Reduction Programs in Washington. We recognize the important dialogue taking place on the topic of reducing emissions cost-effectively, equitably, and ensuring transparency in accounting for emission reductions. We believe our comments provide value as this important conversation continues.

Cascade supports reducing the carbon intensity of transportation fuels. We believe the Washington Department of Ecology (Ecology) can support the success of these efforts by adopting an expansive approach to book-and-claim accounting which promotes the development of emissions-reducing fuels the program aims to incentivize. We are concerned that overly restrictive requirements, such as the proposed additionality, geographic, and temporal requirements, will undermine the effectiveness of this proven mechanism for driving investment in cleaner fuels.

The Clean Fuels Program 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

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/62bdf4e8e42b610e39285083/1656616169/512/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>.

Cascade 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 Program 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 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 Program.

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 an important CCA compliance option available to utilities.

An additionality requirement would set the Clean Fuels Program 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 Program 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, practical temporal requirements should be adopted 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 Program 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).

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 provide an immediate compliance option and decrease the costs of the energy transition while resulting in the same climate benefits.

Again, Cascade appreciates the opportunity to share our perspective on this important issue. If you have any questions, please do not hesitate to contact me at (701) 222-7844 or Gabe Forrester at 509-734-4682.

Sincerely,



Abbie Krebsbach
Director of Environmental

cc: Gabe Forrester, Environmental Compliance and Sustainability Manager
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