

3Degrees

Please see our comments in the attached file. Thank you for your work on this important rulemaking.

June 7, 2024

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

RE: 3Degrees comments in Response to May 2 and 8 Workshops on Rulemaking to update Chapter 173-424 WAC, Washington Clean Fuels Standard (CFS)

Dear Adam Saul and CFS Team,

3Degrees Group, Inc. (3Degrees) appreciates this opportunity to submit comments to the Department of Ecology (Ecology) on the forthcoming amendments to the CFS rule.

3Degrees is a global climate and clean energy solutions provider and is a strong supporter of the CFS program. We participate in the program as a designated reporting entity on behalf of a variety of opt-in parties with light-duty electric vehicle (EV) chargers, electric forklifts, hydrogen forklifts, and heavy-duty EV fleets. We are also an active fuel pathway developer.

We offer the following comments in response to the stakeholder meetings held on May 2 and 8.

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3Degrees recommends that Ecology ensure any new third-party verification requirements take into account the practical differences between technology types.

In general, we recognize the benefits and welcome the addition of third-party verification of electricity charging activity. With the proposed introduction of new verification requirements for electricity crediting types, we think it is important that Ecology does not take a one-size-fits-all approach to site visit obligations. In particular, site visits should not be required for metered residential charging due to practical and privacy implications for homeowners that likely outweigh assurances gained by a visual inspection of the meter.

The updated rule should be clear that any verification provider's sampling plan for electric fueling supply equipment (FSE) of any type does not need to require site visits for every charging station. It would not be reasonable to expect individual site visits for the thousands of disparate sites containing FSE, particularly for designated aggregator entities. In the case of designated reporting entities or entities with more than a certain number of registered FSE, verifiers need only visit the designated reporting entity's central location for recordkeeping plus a subset of facilities based on a carefully-crafted sampling plan.

Imposing deliverability requirements for electricity reported using book-and-claim will lead to significantly increased costs with minimally increased impacts on emissions reductions.

Ecology's proposal to implement a requirement to ensure that electricity claimed under the CFS is delivered to Washington does not add substantial benefit over the current requirement that electricity be generated by facilities located within the WECC. The high cost of RECs meeting the specific criteria of the Low-Carbon Fuel Standard in California is primarily a result of the restrictive sourcing requirements there. If Washington were to follow suit, cost barriers to entry for electricity suppliers would likely increase in a similar fashion. From a practical standpoint, it can be difficult to track where the final delivery for the underlying power occurs in a timely or accurate manner. While the RECs associated with that power ensure that clean electricity has entered the interconnected grid, it is often not feasible to identify precisely where that electricity ends up until usage is reported and therefore to verify whether purchased RECs will meet deliverability requirements when reported for CFS credit generation.

3Degrees is supportive of incorporating an additionality provision in the CFS with a caveat related to biogas facilities.

We recommend that Ecology focus efforts on ensuring additionality via a commercial operations date (COD) requirement for facilities that CFS RECs can be sourced from. The proposed COD requirement of January 1, 2023, within the bounds of the WECC, would accomplish the goal of ensuring that the CFS promotes the proliferation of renewables beyond what is required by any other voluntary or mandatory standard.

However, should Ecology proceed with implementing a COD threshold, there must be a carve-out for biogas-to-electricity facilities, many of which have been providing real greenhouse gas emission reduction benefits to Washington for some time. These facilities are an integral part of the renewable power industry but have significantly different financial and practical considerations than new solar, wind, etc. projects. We would propose a rolling 15-year COD requirement for those facilities.

We recommend that Ecology avoid adding a requirement that renewable energy credits (RECs) retired for use in the CFS be Green-e® certified.

3Degrees recognizes the value of Green-e® certification for the voluntary REC market and is generally highly supportive of the work of Center for Resource Solutions. However, in the context of the CFS, outsourcing REC requirements to a third party that frequently revises their standard without consulting Ecology or other regulatory oversight bodies creates significant regulatory uncertainty. As we have proposed in Oregon as part of the Department of Environmental Quality's Rulemaking Advisory Committee for their Clean Fuel Program, we suggest that Ecology establish its own criteria, similar to what California has done for their Low

Carbon Fuel Standard program, rather than relying on the Center for Resource Solutions to maintain a standard that is acceptable to Ecology.

3Degrees would also like to express strong support for the following proposals by Ecology:

- **expanding the fast charging infrastructure (FCI) opportunity to credit sites for medium- and heavy-duty (MHD) fleets;**
- **allowing for a true-up of credits to reflect the operational vs. certified carbon intensity of fuels to more accurately reward additional emissions reductions; and**
- **aligning electric transport refrigeration units (eTRU) registration and reporting with CARB.**

3Degrees appreciates this opportunity to provide feedback and we look forward to continuing to work with Ecology on the development of the CFS. Please reach out with any questions or for further discussion.

Sincerely,

/s/ Helen Kemp

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