

May 29th, 2024

Mr. Adam Saul Air Quality Planner / CFS Rule Lead Washington Department of Ecology adam.saul@ecy.wa.gov

Re: Revisions to Washington's Clean Fuel Standard to Include Maritime Fuels

Dear Mr. Saul,

On behalf of the undersigned organizations, we thank the Washington Department of Ecology (Ecology) staff for soliciting stakeholder input on potential changes to the state's Clean Fuel Standard (CFS). We urge Ecology staff to enable credit generation for maritime electrification and zero-emission marine fuels.

Washington has the largest locally controlled public port system in the world, yet this important sector also causes climate-warming emissions and disproportionate health risks to port-adjacent communities. Maritime activity contributes to roughly <u>23 percent</u> of the diesel exhaust in the Puget Sound. The revision of the CFS program presents an important opportunity to support marine vessels as the transition to zero-emission fuels begins against the backdrop of the IMO's adoption of an updated GHG strategy last July 2023 and Washington's own climate commitments. Allowing credit generation and creating a new revenue stream for the maritime industry lowers key financial barriers commonly cited as the largest concern for industry stakeholders when making vessel and fuel orders.

Adopting a ruling allowing for credit generation for ocean-going vessels (OGV) within Washington's regulated waters would incentivize installation and bunkering of zero-emission fuels such as electrolytic hydrogen produced from renewable energy and create an important market signal and incentive for maritime industry decarbonization. Crediting opt-in entities without obligation could avoid legal challenges to regulation of international maritime activities while signaling the importance of OGV emissions close to Washington's shores and communities.

In addition, credits for zero- and near-zero emission marine fuels such as hydrogen-derived, green methanol and ammonia would help stimulate the growth and uptake of next-generation marine fuels and provide an important revenue source to offset the green fuel price differential in early adoption years.

We urge Ecology to align Washington's CFS with California's Low Carbon Fuel Standard (LCFS). Under the LCFS, electric and hydrogen fuel cell harbor craft are eligible for credit generation, as well as shore power for OGVs at berth, and we are pushing California regulators to expand the eligibility to include zero-emissions maritime fuels during the ongoing rulemaking process. While shore power for OGVs can

already generate credits in Washington, we encourage Ecology to match California's current policies on harbor craft and expand the CFS program to include zero-emission maritime fuels.

Thank you for your consideration of these comments. We would welcome the opportunity to discuss them with Ecology staff, and we look forward to continued participation and discussion on revisions to Washington's CFS.

Sincerely,

Jayne Stevenson Climate Policy Associate Pacific Environment

James Moschella Climate & Health Program Manager Washington Physicians for Social Responsibility