

Smart Charging Technologies LLC

Please find attached SCT comments on the 3rd-Party Verification rulemaking.



May 10th, 2024

Mr. Adam Saul
Air Quality Planner / CFS Rule Lead
Washington Department of Ecology
adam.saul@ecy.wa.gov
360-742-7998

RE: Proposed Third-Party Verification of Electricity

Dear Mr. Saul,

Smart Charging Technologies LLC (SCT) is an active player in the Washington Ecology CFS program as a program administrator and credit aggregator for many companies using electricity to power fleets of forklifts.

SCT is closely following the 2024 rulemaking process, especially the part related to third-party verification of electricity. SCT understands the drivers for such new rule, however the following reservations and concerns force us to oppose third-party verification of electricity:

1. Metering-related rules have significantly increased the financial burden on our clients operating electric forklift fleets, and at the same time significantly reduced the potential number of credits. Recently, **DEQ** released 4Q24 Data Summary which showed a major drop in Electricity – Offroad eForklifts credits, from 11,071 credits in 3Q, to 2,724 credits in 4Q, a whopping 75% drop.
2. Imposing a third-party verification will increase the financial burden even further. In SCT's experience, third-party verification costs can range from \$10,000 - \$15,000.
3. Such financial burdens and the significant drop in credits eat away the CFP incentives fleet operators may get. Thus,
 - a. leading fleet owners to question their involvement in the CFP program.
 - b. forcing aggregators to exit the program.
4. Third-Party verification adds another layer of vetting on top of the vetting being done by aggregators when registering fleets.
5. The significant cost of these regulations will:
 - a. disincentivize fleet operators.
 - b. jeopardize the opportunity to electrify a significant fossil-fuel forklifts market share and hinder achieving the goals of the program.

To alleviate some of the above concerns, SCT would like to propose the following:

1. Electric fleets/reporting should not be subject to site visits. Unlike liquid fuels or RNG, where more than one type of feedstock, each having its own CI, is used in the end fuel production, eForklifts are charged from the grid. The grid CI is already defined by Ecology CFS. Thus, the eForklifts charging activity is much less complex than liquid fuels or RNG production. Which renders site visits cost unjustifiable.

2. If site visits are to be mandated, given the simplicity of the eForklifts charging activity:
 - a. Using live video streaming site visits should serve the purpose. Such site visits yield significant cost savings and reduce the amount of greenhouse gas emissions from traveling to site visits for our many clients spread out throughout the state.
 - b. Only visit the aggregator's place of records.
3. Imposing a threshold on aggregators alone is an incentive to fleet owners to forsake aggregators and go solo to avoid verification. To avoid such a thing happening, we propose a suitable threshold on fleet owners as well.
4. The Washington State Department of Ecology should maintain Part 4, Section 8(c)(vii) of the Clean Fuels Program (CFP) Rule. **This section exempts EV charging from reporting certain data in the Washington fuels reporting system (WFRS) in order to generate credits. This data is required in monitoring plans for other entities that are required to validate or verify under WAC 173-424-800.** According to NIST Handbook 44-2024, published by the United States National Institute of Standards and Technology Specifications, Tolerances, and Other Technical Requirements for Weighing and Measuring Devices:
 - a. the NIST Handbook does not apply to *“Electric Vehicle Supply Equipment (EVSEs) used solely for dispensing electrical energy in connection with operations in which the amount dispensed does not affect customer charges or compensation.”*¹ Given that eForklifts fleet operators use chargers for their own operations and do not charge any customers for the dispensed electricity, then the NIST accuracy requirements do not apply to electric chargers used by fleet operators.
 - b. unlike alternating current (“AC”) electric vehicle charging equipment, DC electric vehicle charging equipment is exempt from the accuracy testing requirements and load test tolerance requirements under the NIST Handbook until January 1, 2028². eForklifts fleet operators deal exclusively with DC charging stations. As such, no measurement accuracy or load test tolerance requirements will apply to calculating the quantity of supplied electricity by such charging stations until January 1, 2028.

SCT hopes that the above suggestions increase the chances of keeping/making the program a viable option for existing and future eForklifts fleet owners. Thus, help Ecology achieve the goals of the CFS program.

If you have questions or if I can provide more information, please contact me at maltaher@smartchargetech.com or 773.968.7761.

Respectfully,

Ma'n Altaher

Ma'n Altaher
Director, Regulatory & Program Management
Smart Charging Technologies LLC

¹ NIST Handbook, s 3.40, A.2(b).

² NIST Handbook, s 3.40, N.3.2 and T.2.1.