

PineSpire

thank you for considering PineSpire's comments



September 27, 2024

WA Department of Ecology
Clean Fuels Program

Re: Comments on proposed Clean Fuels Program (Ch. 173-424 WAC)

Based on the presentation by Ecology in August 2024 and specific requests for feedback, PineSpire provides the following comments on the proposed updates to the Clean Fuels Program:

Book-and-Claim REC updates

PineSpire recognizes Ecology's effort to moderate the impact on eligible RECs by modifying the facility completion year to 2019. However, based on our experience in the industry attempting to procure RECs, this is still an untenable target for supplying the demand of the program particularly as demand for RECs will increase as the program and vehicle electrification grow in coming years. We urge Ecology to consider an earlier facility operational date, such as 2016 which would align with Oregon and provide economies of scale for market participants.

Verification Requirements for CFS quarterly reports

PineSpire recommends adding a verification exception for electric fuels using a lookup pathway similar to the exception granted for designated liquid fuels. As proposed, a deferred verification process (Section 173-424-820(3)(b)(ii)) does not address the likelihood that the cost for verification may exceed the revenue from credits, particularly when total credits are less than 6,000 credits per year. In PineSpire's experience, based on quotes for verification services in similar markets, minimum verification costs are \$15,000 to \$30,000, plus site visit costs. At the costs and foreseeable credit prices, and the pressure of increasing REC costs (see above), it could cost businesses more to participate than the revenue they will receive. Please see our previous comments on data accuracy and suggestions for EV-specific considerations in our comments from June 2024).

FCI Crediting

We recognize the intent to share the limited FCI benefits of CFS credits across multiple entities, however PineSpire suggests that the proposal to require Shared refueling stations (Section 173-424-110 (160) and (161)) will further limit the pool of potentially eligible businesses. The physical site requirements, refueling operational considerations, and separate corporate investments in medium and heavy duty zero-CI vehicles are already complex. Adding a requirement to share facilities to access CFS benefits may have a counter-productive effect of excluding most interested, early-adopting parties from the opportunity.

Withdrawal Process revisions

PineSpire has significant concerns with the proposed additional language in section 173-424-140(3)(b)(iv), which does not currently include a time limit on the processing of withdrawal requests. As evidenced by current processing time for submittals and inquiries as well as errors in invoicing to date, Ecology's resources available to formally issue approvals are likely insufficient to complete in a reasonable timeframe that would allow participants certainty in program costs window. PineSpire suggests that if approval is to be required, the language in this section also limits Ecology to respond with approval or request for additional information within 10 days of receipt of the withdrawal request. Alternatively, setting a cutoff date for which all withdrawal requests will be considered before program fees are issued would also address the issue.



PINESPIRE™

Thank you consideration of our comments.

Sincerely

A handwritten signature in black ink, appearing to read 'Ryan Huggins'. The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Ryan Huggins
PineSpire