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Stephanie Potts
Department of Ecology
Cap-and-Invest Program Linkage Planner
PO Box 47600
Olympia, WA 98504-7600

Submitted electronically via: <https://ecology.commentinput.com/?id=SCVtpWR6s>

RE: POET COMMENTS ON WASHINGTON’S DEPARTMENT OF ECOLOGY’S CAP-AND-INVEST LINKAGE AGREEMENT WITH CALIFORNIA AND QUEBEC

Dear Ms. Potts:

POET appreciates the opportunity to comment on Washington’s Department of Ecology (“Ecology”) Cap-and-Invest Linkage Agreement with California and Quebec (“Linkage Agreement”).

POET’s vision is to create a world in sync with nature. As the world’s largest producer of biofuel and a global leader in sustainable bioproducts, POET creates plant-based alternatives to fossil fuels that unleash the regenerative power of agriculture and cultivate opportunities for America’s farm families. Founded in 1987 and headquartered in Sioux Falls, POET operates 34 bioprocessing facilities across eight states and employs more than 2,200 team members. With a suite of bioproducts that includes POET Distillers Grains, POET Distillers Corn Oil, POET Purified Alcohol, and POET Biogenic CO₂, POET nurtures an unceasing commitment to innovation and advances powerful, practical solutions to some of the world’s most pressing challenges. Today, POET holds more than 80 patents worldwide and continues to break new ground in biotechnology, yielding ever cleaner and more efficient renewable energy. POET is also a leading champion for nationwide access to E15, a renewable fuel blend made with 15% bioethanol.

Through technological innovation, investments in carbon capture and renewable energy, and programs to reduce on-farm emissions, POET is steadily lowering the carbon intensity of its fuel to meet the ambition of Ecology’s Climate Commitment Act as it grows and evolves. We see the potential for bioethanol to become a net-zero carbon liquid fuel on a life-cycle basis, operating to further decarbonize on-road transportation and serving as a feedstock for the next-generation fuels that will power the aviation industry and other hard-to-electrify sectors of the economy. But POET cannot realize this vision without appropriate regulatory incentives, grounded in the best available science, that recognize and reward further investments in the decarbonization of our fuel.

POET supplies low-carbon biofuels to help decarbonize transportation fuels in Washington. Because they are biomass-based fuels regulated under the Clean Fuel Standard, POET’s biofuels

are currently exempt from Ecology’s Cap-and-Invest program. In Ecology’s Preliminary Analysis Report regarding potential Cap-and-Invest linkage, Ecology recognized the Clean Fuel Standard as a separate but complementary policy to the Cap-and-Invest program by incentivizing the production of low-carbon transportation fuels. *See* Publication No. 23-14-004, *Cap-and-Invest Linkage Criteria: Preliminary Analysis Report*, WASHINGTON STATE DEPARTMENT OF ECOLOGY, page 42 (October 2023) available at <https://apps.ecology.wa.gov/publications/documents/2314005.pdf>. POET encourages Ecology to continue recognizing the complementary nature of the Clean Fuel Standard and to maintain the exemption of biomass-based fuels from the Cap-and-Invest program. By doing so, the Clean Fuel Standard will remain the driving force in Washington for addressing the decarbonization of transportation fuels.

POET appreciates the opportunity to comment and looks forward to working with Ecology to make the Cap-and-Invest program and complementary Clean Fuel Standard continued successes for Washington. If you have any questions, please contact me at Paul.Townsend@POET.com or (605) 756-5612.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul W. Townsend", is written over a thin horizontal line.

Paul W. Townsend
Regulatory Counsel