

June 13, 2025

Clean Fuel Standard Department Washington Department of Ecology

Re: Clean Fuel Standard Participation Fee for 2025

Submitted via electronic docket

Clean Fuels Standard Team,

RPMG Inc. (RPMG) welcomes the opportunity to comment on the Clean Fuel Standard Participation Fee for 2025 development process <sup>1</sup>. RPMG supports Ecology's transparent and public process to develop amendments to the program's fee schedule.

RPMG is a leading biofuel marketing company representing our diverse owner and marketing partner facilities throughout the Midwest. We provide bioethanol and distillers corn oil (DCO) as essential inputs to Washington's low-carbon transportation fuel market. Our facilities are continually investing in lower-carbon technologies to produce lower carbon intensity fuels in furtherance of the CFS program goals.

## Fee Determination and Participant Categorization

RPMG supports Ecology's updated proposed definition of 'deficit generators' for purposes of setting fees to be limited to "only fuels that had a carbon intensity higher than the [carbon intensity] standard in 2024". This new metric clearly delineates those fuel providers for which Ecology intended to pay the bulk of the program costs as the program moves forward into the future<sup>2</sup>.

As the program moves forward this new methodology will allow stakeholders and registered parties the ability to understand what category their products fall into, even as the compliance curve ramps down. Having such transparency and future-looking approach is key to allowing stakeholders the ability to plan ahead.

## 2025 Fee vs. Updated Mechanism

The documents presented by Ecology references the 2025 fee <u>and</u> an updated methodology from previous years fee collection.<sup>3</sup> RPMG notes that much of the discussion references '2024 fuels' and '2025 fees', but it is our understanding that the methodology being established is

<sup>&</sup>lt;sup>1</sup> https://ecology.wa.gov/air-climate/reducing-greenhouse-gas-emissions/clean-fuel-standard/requirements

<sup>&</sup>lt;sup>2</sup> https://app.leg.wa.gov/RCW/default.aspx?cite=70A.535.130&pdf=true

<sup>&</sup>lt;sup>3</sup> https://apps.ecology.wa.gov/publications/documents/2514030.pdf and https://apps.ecology.wa.gov/publications/SummaryPages/2514030.html

prospective for more than just the upcoming fee cycle. We recommend additional language and clarification to the idea that this methodology may continue into the future, if that is indeed the case.

## Fee Amount and Program Costs

RPMG notes that the total cost of the program budget increased 22% over last year, and 34% over 2023 levels. There is very little detail or explanation for the increase in fees. At this phase of development, it is logical to conclude the CFS program is still establishing a baseline operational budget. It is important to acknowledge however, a consistent double-digit trajectory of increase is not sustainable for stakeholders to support over the long-term. We encourage Ecology to focus on running the program in the most cost-efficient manner.

## Conclusion

In conclusion, we again submit our gratitude to Ecology on the process and look forward to working with staff to assist in successful program implementation.

Thank you,

/s/

Jesse Nowicki Regulatory & Compliance Specialist RPMG LLC