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August 1, 2025

VIA ELECTRONIC MAIL

Washington Department of Ecology
Climate Reduction Program
PO Box 47600
Olympia, WA 98504-7600

RE: Chapter 173-424 WAC – Clean Fuels Program

Suburban Propane has been serving customers for nearly 100 years and is the nation's third-largest propane retailer with operations in 42 states. In Washington, we currently have 87 employees at 17 locations serving more than 12,800 residential, commercial, industrial, agricultural, and governmental customers.

We write today in regard to the proposed rule making certain changes to the Clean Fuels Program, including updated requirements regarding avoided methane crediting.

Suburban Propane has consistently supported the implementation of clean fuel programs nationwide and shares the goal of reducing Greenhouse Gas (GHG) emissions. While we support language included in the proposed rule establishing specific criteria for the generation of avoided methane credits from biomethane production, we would suggest amending the language to remove the 15-year crediting period in favor of an open-ended approach allowing for crediting in perpetuity.

Avoided methane crediting is essential to clean fuels programs, as it acts as a key incentive to spur the development of lower-carbon and carbon-negative energy sources. This is an especially critical incentive for the production of renewable natural gas (RNG), which will play a key role in decarbonizing the transportation sector and helping Washington meet its emissions reduction targets. RNG, when accounting for the methane captured during production, can reach carbon intensities (CI) lower than -530. This is significant because the lower the CI score, the more credits generated for producers. This is not only beneficial financially in the short-term, it also creates real incentives to continue developing even lower-CI alternatives in the future to continue to generate more and more income.

Critically, without accounting for avoided methane, energy sources such as RNG will have CI scores that are not reflective of the lifecycle emissions associated with their production compared to traditional gasoline and diesel. This is an important distinction, as not only would it limit the financial incentives to produce RNG by preventing its CI score from reaching the lowest possible number, but it would also suggest that it has a similar emissions impact as energy produced without capturing methane, when that is not the case.



In addition, consumers also see significant benefits when avoided methane crediting pathways are used in determining CI scores for renewable energy. Energy sources that either capture or avoid methane release during production have far lower CI scores, and thus, generate credits in greater amounts. Greater financial incentives for production will increase supply as producers look to capitalize on the opportunity and low-carbon energy will become more prevalent, accessible, and perhaps most significantly, affordable. As the supply of renewable energy continues to grow, it is extremely likely that consumer prices will fall. As prices decrease and renewable energy becomes more widespread, consumers will gradually shift away from higher CI fuels and hastening the overall reduction in GHG emissions.

Increasing the availability and affordability of renewable energy in the transportation sector should be a top priority for the state and will be critical if Washington is to meet its ambitious climate goals. In order to exceed these targets, Washington must make every tool available to increase production of renewable energy, including maximizing the potential to secure additional program credits through avoided methane pathways.

As currently drafted, the rule would establish a 15-year avoided methane crediting period for projects that began operating in or after 2023, while gradually decreasing credit amounts and timelines for facilitates that began operations before 2023.

While we applaud the state for establishing the avoided methane credit, we urge regulators to consider abolishing the sunset periods in order to maximize the environmental benefits that come with increased methane capture. Limiting the potential credit generating opportunities by sunseting avoided methane crediting will remove critical incentives for energy producers to increase production of RNG and continue to find new ways to capture methane before it is released into the atmosphere. Maximizing GHG emissions reductions is an essential benefit of avoided methane crediting, and allowing these provisions to sunset would do a disservice to the public, and environment as whole.

We reiterate our support for the Clean Fuels Program in Washington, and again urge you to consider eliminating the sunset period for avoided methane crediting. We remain at your disposal to discuss these changes and would welcome the opportunity to meet in the future.

Sincerely,

/s/ Rick Chandler

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