



STATE OF WASHINGTON
DEPARTMENT OF AGRICULTURE
P.O. Box 42560 • Olympia, Washington 98504-2560 • (360) 902-1800

August 1, 2025

RE: Rulemaking – Clean Fuel Standard

Dear Clean Fuel Standard Rulemaking Team,

Thank you again for the opportunity to provide comment on this rulemaking. On December 13, 2024, WSDA submitted feedback during pre-rulemaking, and we would like to confirm that those previous comments are considered during this public comment period as well.

WSDA has worked extensively with Ecology over the past several years on several climate related projects and taskforces, including the Comprehensive Climate Action Plan (CCAP), as well as the implementation of funding for dairy anaerobic digesters funded by the CCA. However, we have concerns over the current Clean Fuel Standards rule proposal, outlined below with more information in the previous comments attached.

Inadequate Incentives for Dairy Digesters

- Current market conditions under the CFS has prompted little to no dairy digester project development within the state. The proposed rule to limit avoided methane crediting to two seven and a half year periods could exacerbate the lack of recent AD development as well as jeopardize the economic viability of those new digester projects funded by the CCA. Project finance for dairy digesters typically spans at least twenty years. Altering a project's revenue stream prior to its payback period will increase the risk threshold needed for their investment, driving the state further away from obtaining low-cost investments in greenhouse mitigation.

Approach Does Not Align with CCAP Modeling Projections

- It is clear based on CCAP modeling that **all** renewable energy sources, including those from agriculture, will be needed in order for the state to meet its ambitious climate and energy goals. CCAP modeling projections show that we will not have enough future energy to meet demand, nor the state's renewable energy portfolio mandates and that all agricultural sources will need to be maximized. Dairy biogas is a critical component to the agricultural fuel source mix towards helping the state

achieve its energy and GHG reduction mandates. These rule proposals are likely to undermine that current goal and effort.

Unmitigated Risk for Agricultural Stakeholders

- Dairy farms **already** face a high level of risk to their enterprise when partaking in these clean fuel markets due to their price volatility. Unlike many other industries Ecology regulates, dairy farmers have no control over their prices, meaning, they cannot just raise the price of milk to offset additional compliance costs or to offset the economic impacts from losing avoided methane crediting. This rule proposal only increases market uncertainty, therefore creates a further disincentive for adoption.

To promote in-state production while limiting imported fuels and projects that have minimal direct benefits to the state of Washington, **we recommend Ecology consider rules that do not remove avoided methane crediting for in-state projects.** Washington should focus on creating a vibrant and efficient circular economy, which is only made possible through maximizing renewable energy sources locally, particularly those underutilized in agriculture.

Please refer to the original pre rule making document (attached file: *WSDA_Comments_CFS-Draft-Rule_2024-December-13.pdf*) **for a comprehensive justification of WSDA concerns.**

Thank you for your consideration.

Sincerely,



Kelly McLain
Assistant Director, Agricultural Environmental Services
Washington State Department of Agriculture