



August 1, 2025

VIA ELECTRONIC FILING

Adam Saul
Washington Department of Ecology
Climate Pollution Reduction Program
P.O. Box 47600
Olympia, WA 98504-7600

Re: Neste Comments on the Proposed Clean Fuels Standard (CFS) Rule Language

Dear Mr. Saul:

Neste appreciates the opportunity to provide these comments on the CFS 2025 rulemaking materials published by the Washington Department of Ecology (DOE) on June 16th, 2025. Neste is the world's largest producer of renewable diesel (RD) and SAF, over 90% of which are produced from waste and residues. During the past ten years, Neste's transformation journey has taken it from a local oil refiner to a global leader in renewable and circular solutions. Neste's goal is to achieve carbon neutral production by 2035 and supply Washington with products that will enable the state to reach the climate goals outlined in the CFS. We are in the business of combating climate change by producing effective climate solutions, and our vision is to create a healthier planet for our children.

Neste has strongly supported the recent updates to the Clean Fuels Program (CFP) via House Bill (HB) 1409, and these updates will ensure that Washington remains a leader in the development of renewable energy. Neste welcomes this rulemaking to ensure that DOE incorporates important elements of HB 1409 into the CFS rule, and to give DOE an opportunity to describe how HB 1409 will be fully implemented. Neste applauds DOE's proposal to incorporate into the CFS the new carbon intensity (CI) standards for 2026 and 2027 established by HB 1409. Neste looks forward to all the new CI standards from HB 1409 being incorporated into the CFS given that HB 1409 went into effect on July 27, 2025.

The comments below pertain to materials provided by DOE in the June 16th, 2025 CFS rulemaking package and include several comments that we already highlighted to DOE during the stakeholder meetings. We look forward to continuing to work with DOE on this rulemaking.

2023-2025 CI Updates Driven by HB 1409:

Neste appreciates DOE incorporating the CI updates from HB 1409 for 2026 and 2027. However, HB 1409 also updated the CI standards for 2023 through 2025 and it is unclear how DOE will incorporate those updates, especially since they are now in effect. This is of higher priority for 2025 given that we are still in the compliance year. Neste recommends that DOE also incorporate the CI updates for 2023-2025 to ensure the CFS rule is fully aligned with HB 1409.

An Automatic Acceleration Mechanism (AAM) Would Bring Certainty to Implementation of HB 1409:

HB 1409 gave DOE the authority to establish the annual CI standard starting in 2028, and Neste believes that establishing an AAM could bring predictability to this process. It is Neste's experience that rulemakings often create complexity and regulatory agencies often hesitate to establish the appropriate annual CI, and thus an AAM could be a more predictable way of managing the annual CI standard. Should the CFS meet certain performance indicators, the CFS rule could then establish the appropriate annual CI standard to

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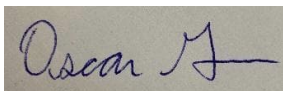
ensure the program remains healthy and continues to attract investments in renewable energy. Leaving the CI updates to the rulemaking process could lead to lower ambition and overall lower performance to the CFS. Therefore, Neste recommends that DOE implement a more predictable mechanism of establishing annual CI targets versus leaving it to future rulemakings.

The CFS Should Treat All Hydrogen the Same; Even When Used as a Feedstock in RD:

Hydrogen is a key feedstock in the production of RD and SAF, and Neste has invested in the development of hydrogen using low-CI electricity. The ability to leverage book-and-claim is essential because low-CI electricity or biomethane are not always available near production facilities to produce green hydrogen. Neste requests that Section 173-424-600 (Part 7) and Section 173-424-610 (Part 9(n)), regarding biomethane and low-CI electricity used to produce low-CI Hydrogen for RD production be treated the same as when used for SAF production. We understand the desire to incentivize SAF production in Washington but we object to penalizing low CI hydrogen used as a feedstock for RD production by subjecting it to several different pipeline and electricity CI requirements than SAF. As currently proposed, HEFA plants, like those Neste operates, will have unnecessary compliance complexity due to RD and SAF having different low-CI hydrogen requirements. It is important to note that today most SAF is produced alongside RD in HEFA plants, and Washington should treat all low CI hydrogen the same, considering that low CI hydrogen used for RD will bring more innovation to the SAF industry. We therefore recommend that the requirements for low-CI hydrogen be the same for both SAF and RD.

We look forward to continuing to participate in this rulemaking. Please feel free to contact me if you want additional information or have questions regarding our submission.

We appreciate your consideration.

A handwritten signature in blue ink, appearing to read "Oscar Garcia", on a light-colored rectangular background.

Oscar Garcia

Senior Regulatory Affairs Manager
Neste US, Inc.