August 1, 2025

Mr. Adam Saul
Department of Ecology
Climate Pollution Reduction Program
PO Box 47600,
Olympia, WA 98504-7600

Submitted online via: https://ecology.commentinput.com?id=bS4tQR6WV

Re: June 16th proposed amendments to the Clean Fuel Standard (CFS)

Dear Mr. Saul and Department of Ecology CFS Rulemaking staff:

Thank you for the opportunity to comment on this important update to the CFS. Our four undersigned utilities, Seattle City Light, Tacoma Power, Snohomish County PUD, and Chelan County PUD, which serve nearly 2 million residents in Central Puget Sound are active participants in the CFS and the rulemaking process to establish and update to the CFS. The undersigned utilities are supporters of the CFS and appreciate the work the Department of Ecology has done to implement it. We are requesting only a few changes in the areas of third-party verification and capacity credits in order to reduce administrative burdens and costs that could hinder the electrification of transportation in Washington state. The Department of Ecology in this rulemaking has the opportunity to help advance TE commercialization in today's difficult environment. While one of the Department's stated goals of the rulemaking is to update the CFS based on best practices in other states[i] – it is critical to account for the changes that have occurred in the TE industry including the repeal of Advanced Clean Cars II, Advanced Clean Trucks, and tax credits and grants for the purchase of electric vehicles and charging stations and related upstream infrastructure.[ii] Our concerns and recommendations below are not just utility issues. They also impact our customers including charging providers, site hosts, fleets and ports.

1) Support Ecology Staff Clarification

1.1) Proposed removal of the strikeout "other than electricity" from the definition of "less intensive verification" in the June 16th proposal[iii] (compared to the November proposal).

It's our understanding from the July 24th workshop that this strikeout was a typo during the recent public hearings and support staff recommendations to exclude electricity from less intensive verification under the rule.

1.2) The CFS in CR 103 will include the 2026 and 2027 carbon intensity requirements from HB 1409.

Additionally, during recent public hearings, Ecology staff explained that 2026 and 2027 carbon intensity requirements would be included in the Department's final rule this October. We believe this is appropriate for the current rulemaking rather than delaying this to a future rulemaking.

2) Third Party Verification of Electricity Credit Generators

2.1) Delay third-party verification for five years for electricity.

We strongly urge Ecology to delay third-party verification for five years for electric utilities and other electric credit generators. Delaying these provisions would not adversely impact the program's integrity and would follow the example set in California. During its rulemaking, CARB intentionally did not include electricity in the third-party verification provisions in the LCFS from 2019 until mid-2025 in order to incentivize the electricity credit generators and allow for the third-party verification industry to emerge. Washington should follow suit since it is at a similar place to where California was in 2019.

We understand that, in the long term, verification of electricity for fuel pathways and for paperwork checks of annual and quarterly reports is needed. However, because charging stations are a decentralized fueling solution compared to other clean fuels, electricity credit generation is fundamentally different. Eventually, electricity will have several times more credit generators and sites than other fuels in the CFS. As a result, the cumulative cost on electricity credit generators to pay for third-party generators will grow very large. CARB estimates the cost of verification for TE and hydrogen is in the billions of dollars, and Washington could see similar costs.[iv] Delaying third-party verification for electricity and implementing the cost-saving measures in this letter once verification of electricity begins will save hundreds of millions of dollars for the

emerging TE industry and utility ratepayers. Importantly, it provides critical flexibility for TE infrastructure buildout when federal credits will no longer be available.

As currently drafted, adding costs to electricity credit generators will likely result in some utilities and small site hosts electing not to participate in the CFS, limiting the CFS proceeds that otherwise go to implement projects. Accounting and reporting are important provisions for program integrity, but at this early junction we urge Ecology to focus on how the Department of Ecology can continue to invest and incentivize the TE industry.

2.2) Requiring site visits for meter accuracy checks adds duplicative regulations.

The June 16th CFS proposal is inconsistent regarding requiring third-party verifiers to check meter/measurement accuracy for EV charging.[v] While WAC 173-424-800 (c) (vii) has language stating that monitoring plans do not apply to EV charging, the other subsections[vi] do not clarify if they apply to EV charging. While language in (vii) is appreciated, below we propose specific amendments to fully address this issue for the TE industry.

We have strong concerns that accuracy checks on utility meters and on EV charging meters for several reasons:

- Revenue-grade meters for electricity by utilities are regulated by industry standards and enforced by utilities and their governing boards or by the Washington Utilities and Transportation Commission.
- Further, meter accuracy for public charging is regulated by the Legislature[vii] and Washington State Department of Agriculture's Weights and Measures Division.[viii]
- Importantly, if the CFS also regulates meter accuracy for charging stations (FSE) it would create duplicative regulation and disincentivize TE by adding unnecessary costs as meter accuracy is already borne by charging station operators under the Department of Agriculture's regulation and utility regulations and practices.
- In addition, the number of charging stations (FSEs) is substantial and multiples larger than the number of electricity credit generators. If the state is to be successful in growing the TE industry, costs must be minimal.

We do not believe the language in the CFS WAC 173-424-400 (7)(c) (vii) is adequate to prevent meter accuracy checks for electricity credit generators and respectfully request the following edits.

(7) Monitoring plan for entities required to validate or verify under WAC 173-424-800 through 173-424-850.

(a) Each entity responsible for obtaining third-party verification of their data under the CFP must complete and retain a written monitoring plan for review by a verifier or ecology except for EV Charging and electricity based transaction types;

(b) If a fuel production facility is required to complete and maintain a monitoring plan by the California LCFS or Oregon CFP, the same monitoring plan may be used to meet the requirements of this rule unless there are substantive differences between the two programs' treatment of the fuel production process;

(c) A monitoring plan must include the following general items and associated references to more detailed information, as applicable:

(i) Information to allow ecology and the verification team to develop a general understanding of boundaries and operations relevant to the entity, facility, or project, including participation in other markets and other third-party audit programs;
(ii) Reference to management policies or practices applicable to reporting pursuant to this chapter, including recordkeeping;
(iii) Explanation of the processes and methods used to collect necessary data for reporting pursuant to this chapter;
(iv) Explanations and queries of source data to compile summary reports of intermediate and final data necessary for reporting pursuant to this chapter;
(v) Reference to one or more simplified block diagrams that provide a clear visual representation of the relative locations and positions of measurement devices and sampling locations, as applicable, required for calculating reported data (e.g., temperature, total pressure, LHV or HHV, fuel consumption); the diagram(s) must include storage tanks for raw material, intermediate products, and finished products, fuel sources, combustion units, and production processes, as applicable;
(vi) Clear identification of all measurement devices supplying data necessary for reporting pursuant to this chapter, including identification of low flow cutoffs as applicable, with descriptions of how data from measurement devices are incorporated into the submitted report;

(vii) Descriptions of measurement devices used to report CFP data and how acceptable accuracy is demonstrated, e.g., installation, maintenance, and calibration method and frequency for internal meters and financial transaction meters; this provision does not apply to data reported in the WFRS for generating credits for EV charging;
(viii) Description of the procedures and methods that are used for quality assurance, maintenance, and repair of all continuous monitoring systems, flow meters, and other instrumentation used to provide data for CFP reports;
(ix) Original equipment manufacturer (OEM) documentation or other documentation that identifies instrument accuracy and required maintenance and calibration requirements for all measurement devices used to collect necessary data for reporting pursuant to this chapter;
(x) The dates of measurement device calibration or inspection, and the dates of the next required calibration or inspection;
(xi) Requests for postponement of calibrations or inspections of internal meters and subsequent approvals by ecology. The entity must demonstrate that the accuracy of the measured data will be maintained pursuant to the measurement accuracy requirements of WAC 173-424-610;
(xii) A listing of the equation(s) used to calculate flows in mass, volume, or energy units of measurement, and equations from which any non-measured parameters are obtained, including meter software, and a description of the calculation of weighted average transport distance;
(xiii) For EV charging and electricity-based transaction types, meter accuracy checks by third-party verifiers are not required.

WAC 173-424-610 Obtaining a carbon intensity.

(1).....

(12) Measurement accuracy. (a) Calibration requirement. All measurement devices that log or record data for use in a fuel pathway application must comply with the manufacturer-recommended calibration frequency and precision requirements. If manufacturer recommendations are not provided, the measurement devices must be calibrated at least every six years. For EV Charging and electricity-based transaction types, meter accuracy is already regulated and this requirement does not apply.

2.3) The CFS should require virtual checks of paperwork rather than site visits.

The June 16th proposal on site visits by third-party verifiers seems to focus on fuel pathway holders. It does not seem to apply to most electricity credit generators who are

using or will use the Ecology-assigned carbon intensity for the utility territory where their charging stations (FSEs) are based. We respectfully recommend that the final CFS should be clear regarding what is required for electricity credit generators that do not have or need a fuel pathway application.

Further, we do not believe that physical visit to the site where records are stored is necessary or justified when checking annual reports and quarterly reports. This can be and should be done virtually for electricity credit generators. This simple change - requiring virtual visits instead of site visits - will benefit utilities, site hosts, charging providers, and automakers and dramatically lower the cost of paying for annual third-party verification. Further, especially for checking paperwork, the data is likely not stored on site (more likely in the cloud or local servers). As a result, a site visit only adds costs without bringing benefits. Our recommendation should also apply as much as possible to electricity credit generators with approved fuel pathway applications.

At minimum, if the Department of Ecology insists that site visits are warranted for electricity credit generators, then Ecology should clearly limit conditions that warrant a site visit. For example, the Department could require verifiers of electricity credit generators to first get approval for site visits from the Department or only do site visits every three years.

To implement this request, we recommend the following amendment.

> **WAC 173-424-820 Requirements for verification of CFS reports and validation of fuel pathway applications.**
> (1) ….
> (2) ……
> (3) Annual verification of CFS quarterly reports.
> (a) Applicability. ……
> (b) Verification schedule. Responsible entities under (a) of this subsection required to engage the services of a verification body to perform annual verification of CFS quarterly reports must ensure a transactions data verification statement is submitted to ecology according to WAC 173-424-810. For Electricity-based transaction types a virtual visit instead of a site visit is required.

2.4) The threshold for deferred verification should be raised to 10,000 credits annually.

Based on our justification above on the need for more incentives for transportation electrification due to the cancelling of ACC II and ACT and the lack of federal tax credits and grants, the CFS should raise the threshold for deferred verification from 6,000 to 10,000 credits annually for TE. This will not only benefit small utilities but the many small businesses, non-profit organizations, transit agencies and government entities that are or soon will be adding charging stations.

3) **Capacity credits (Fast Charge Infrastructure – FCI and Hydrogen Refueling Infrastructure- HRI)**

We appreciate all the work the staff have done on capacity credits in the June 16th proposed CFS and have two small requests to make it substantially better and help advance the TE industry.

3.1) Like LCFS, FCI for heavy-duty EVs should allow individual fleets to qualify in the CFS using CARB's formula[ix] *that gives them fewer credits than shared depot charging.*

In today's uncertain environment for commercializing heavy-duty EVs, the Department of Ecology should seek to incentivize heavy-duty EVs in all applications (e.g., truck stops, shared depots, and individual fleets), rather than only encouraging shared depots and truck stops. The risk of adding individual fleets to the current proposal is low, especially at this early stage of market development, as all types of applications are needed to accelerate adoption. Further individual fleets include a broad range of fleets such as transit agencies, special government districts, utilities, non-profits, education, and private sector entities.

Regarding concerns that one fleet or individual applicant could get too many credits, the June 16th proposed CFS already addresses this (based on LCFS)[x] by limiting individual applicants to no more than 0.5 percent of deficits in a quarter.[xi]

3.2) Like LCFS, make the credits for HRI and FCI have the same life: 10 years.

The current proposal of 5-year credit life for FCI and 15-year credit life for HRI appears to be an oversight. CARB acknowledges that the overall structure of capacity credits in LCFS is more favorable to HRI than FCI and added the 10-year credit life provision for both HRI and FCI in order help create a somewhat more equitable framework. We recommend this for both light- and medium-duty as well as heavy-duty FCI and HRI.

3.3) Support several improvements to HDV FCI in the June 16th proposal which was not found in other states.

For example, not having a 5-mile limit from corridors on locations for HDV FCI locations, including land costs in the cost formula and having different caps on MW per site or per charging station.

We, the undersigned utilities, understand how important and meaningful this rulemaking is to the Department of Ecology. We appreciate the opportunity to comment on the regulation and are available for follow-up conversations regarding our concerns. Please reach out to Angela Song at Angela.Song@seattle.gov or 206-678-5403 for next steps.

Sincerely,

Seattle City Light

SNOHOMISH COUNTY PUD PUBLIC UTILITY DISTRICT NO. 1

TACOMA POWER TACOMA PUBLIC UTILITIES

P.U.D. CHELAN COUNTY

[iii] See definition 7 on page 104 of the June 16 proposed CFS.
[iv] See CARB LCFS Standardized Regulatory Impact Assessment, September 2023, Low Carbon Fuel Standard 2023 Amendments at pages 51, 52, and A-1. The cost is about $3.7 billon to 2040 (less with deferrals and less intensive verification). An estimate for Washington is approximately 4-5 times less than Calfiornia without our proposals.
[v] See page 36 of the June 16 proposed CFS. WAC 173-424-800 (c) (vii) Descriptions of measurement devices used to report CFP data and how acceptable accuracy is demonstrated, e.g., installation, maintenance, and calibration method and frequency for internal meters and financial transaction meters; this provision does not apply to data reported in the WFRS for generating credits for EV charging;
[vi] specifically (ix),(x), (xi) and (xii).
[vii] See Chapter 19.94 RCW: WEIGHTS AND MEASURES.
[viii] See Chapter 16-662 WAC:
[ix] CARB's LCFS § 95486.4. (b)(2)(f).
[x] See LCFS § 95486.3. (b)(3)(A)2. and § 95486.4.(b)(3)(A)2.
[xi] See WAC 173-424-560 (3)(a)(iv) and WAC 173-424-560 (2)(a)(iv).