American Biogas Council (Jonathan Harding)

Please see attached file for comments.

August 1, 2025

Washington Department of Ecology
Climate Pollution Reduction Program
300 Desmond Drive SE
Lacey, WA 98503

RE: American Biogas Council Comments on the Proposed Changes to the Washington Clean Fuel Standard

Dear Mr. Saul,

The American Biogas Council (ABC) appreciates the opportunity to comment on the recently proposed changes to the state's Clean Fuel Standard (CFS). The ABC is the voice of the U.S. biogas industry dedicated to maximizing carbon reduction and economic growth using biogas systems. We represent more than 400 companies in all parts of the biogas supply chain that are leading the way to a better future by maximizing all the positive environmental and economic impacts biogas systems offer when they are used to recycle organic material into renewable energy and soil products.

Biogas systems protect our air, water, and soil by recycling organic material, like food waste and manure, into renewable energy and soil products. Biogas systems are, at their heart, a biological means to capture methane that would otherwise be emitted into the atmosphere for use as a renewable fuel. This process specifically decreases baseline methane emissions by converting methane back into carbon dioxide. All of this is an effort to protect our air, water, and soil – crucial parts of the solution to the challenges the Washington State Department of Ecology seeks to address in the recent amendments. The scientifically-based, tech-neutral design of the CFS recognizes the benefits of projects that collect biomethane that would otherwise be emitted to the atmosphere making it available for use in transportation.

While these proposed changes do not directly address the statutory changes to the program's carbon intensity (CI) reduction targets set forth in HB 1409 (2025), the proposed changes do set the program up well for a future rulemaking that sets CI reduction targets for 2028 and beyond. Instead, the amendments seek to make updates to provisions such as book-and-claim, avoided methane, and alternative jet fuel (AJF), in addition to attempting to further harmonize Washington's CFS with California's and Oregon's clean fuels programs.

Avoided Emission Crediting

The proposed amendments seek to place limitations on avoided emission pathways. Specifically, a project that produces biomethane from dairy or swine for transportation fuel purposes and breaks ground before January 1, 2023, is limited to two 7.5-year crediting periods. Projects that broke ground before this date must also adhere to the following conditions: the crediting period for a project that began operation in 2022 is limited to 14 years; that period decreases by one year for each prior year of operation; and projects that began operations before 2009 are not eligible for avoided methane crediting.

The ABC opposes this phaseout because it disregards well-established science on methane's global warming potential and its atmospheric lifespan. Establishing a 7.5-year credit period ignores the fact that methane capture projects, like those producing biomethane, continue to provide emissions reductions and climate benefits well beyond that window. More importantly, climate benefits persist as long as the capture facility remains operational, a reality that aligns with the production of fuels seeking credit under this program. The average lifespan of a biomethane facility is 25 years. Limiting crediting to half that time creates a significant disincentive to continue operating once crediting ends. For example, a facility that began operation in 2023 could cease

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methane capture as early as 2031 if a second crediting period is not granted jeopardizing both the fuel supply under the Clean Fuel Standard and the state's broader climate goals.

Avoided methane emissions are an essential part of science-based life cycle assessments, and their inclusion in carbon intensity (CI) scores is consistent with internationally accepted carbon accounting practices. While ABC understands the Department may be seeking alignment with California's Low Carbon Fuel Standard, transitioning to electric vehicles, or redirecting biomethane to other uses, the rationale behind this proposal is being interpreted by some as science-based rather than as a policy decision. The Department should be clear that changes to avoided emissions crediting reflect a policy shift not a departure from the rigorous science underpinning avoided methane benefits. ABC recommends that crediting for avoided emissions be permitted for all biomethane projects without limitation, as long as those projects continue to deliver verified emissions reductions.

Recently, the Department has received significant pushback from groups opposed to animal agriculture. It is critical that the rulemaking process remain grounded in science and not influenced by unsupported sentiment. Washington dairies are predominantly family-run operations and are regulated by the Washington State Department of Agriculture for environmental compliance, including nutrient management. These farms are important sources of methane emissions, and anaerobic digesters are a proven and effective tool for mitigating them. Disregarding these facts in favor of unsubstantiated opposition undermines the integrity of the program and the achievement of the state's climate objectives.

ABC also strongly recommends a more protective approach for existing anaerobic digestion infrastructure. The Vander Haak Dairy Digester, commissioned in 2004, illustrates the risk of applying rigid crediting limits. Without revenue from avoided methane credits, such facilities may be forced to shut down, transitioning from a greenhouse gas-reducing operation to a net emitter. These are not hypothetical outcomes, they are real and foreseeable consequences that must be taken into account.

The economic realities of digester projects must also be acknowledged. Most operate on narrow margins and rely on clean fuel credit revenues to remain viable. Mischaracterizations of these projects as excessively profitable have led to ill-informed policy proposals. For many developers and operators, limitations on crediting periods could result in early shutdowns or the cancellation of planned projects, directly impeding the state's progress toward its climate goals.

The proposal to limit avoided methane crediting to 7.5 years appears arbitrary and lacks a transparent scientific basis. It also deviates from crediting policies in states like California and Oregon, threatening the policy alignment intended under the Pacific Coast Collaborative. Washington should avoid creating unnecessary regulatory fragmentation and instead support approaches that reflect emissions science and operational realities.

Looking ahead, many animal-based biogas projects in Washington will be shaped not by large-scale RNG exports, but by smaller-scale electricity and co-digestion projects. To ensure these projects remain viable under the Clean Fuel Standard, ABC recommends inclusion of electricity projects located outside Washington such as in British Columbia, Oregon, Idaho, and Montana—where they serve the regional grid. Additionally, the 50% engine efficiency threshold should be revised to reflect real-world conditions, including maintenance and downtime. The program should also accommodate non-fuel cell technologies such as linear generators and other innovative platforms. Finally, co-digestion projects should be permitted to separate and assign distinct carbon intensities to manure and non-manure feedstocks, allowing for more accurate emissions accounting and improved economic viability.

Verification Flexibility and Penalty Provisions

ABC supports the establishment of a "true-up" mechanism and appreciates its inclusion in the draft rule. Biogas systems are dynamic, biological processes, and RNG pathways can be affected by a variety of parameters beyond the project developer's control such as changes in herd size, ambient temperature, equipment downtime, feed variability, and manure characteristics. A true-up mechanism helps ensure that small, unavoidable deviations from provisional carbon intensities do not result in punitive outcomes, while maintaining program integrity and rigorous accounting. This flexibility is critical to the long-term success of clean fuel projects and to encouraging continued investment in biomethane production.

For similar reasons, ABC opposes the proposed 4-to-1 penalty structure. Excessive penalties for CI exceedances, particularly when caused by factors outside a developer's control, risk deterring investment and limiting the deployment of new projects. We recommend reducing the penalty ratio and including a grace period during which pathway holders can identify and address CI deviations before penalties are applied. This approach would maintain accountability without creating an unnecessarily punitive system.

Book-and-Claim

Book-and-claim has allowed the CFS to evolve by supporting investments in clean fuels that have helped the program to successfully decarbonize transportation fuels and while providing increased clean fuel options for consumers. The proposed amendments for indirect accounting for pipeline-injected biomethane aim to set sourcing (i.e. deliverability) requirements starting January 1, 2030. If biomethane is injected into the pipeline it must meet one of the following requirements: 1) the biomethane must be produced within Washington and injected into any pipeline in the state, 2) biomethane must be injected into an interstate pipeline that flows directly into Washington, and 3) biomethane must be injected into an international pipeline that flows into Washington. The ABC believes that this proposal is unnecessarily restrictive. Limiting book-and-claim to physical deliverability requirements risks the CFS becoming a less effective decarbonization program and undermines Washington's interest in rapidly ramping up the production and use of biomethane as well as fuels that use biomethane as a feedstock. The proposed amendments disadvantage out-of-state projects that produce low-CI biomethane and increase program costs without providing any commensurate environmental benefits. Moreover, the sourcing requirements will increase costs to renewable fuel producers and will result in a more limited supply coming into Washington, which will limit clean fuel choices available to consumers and put the state in a tougher position to meet its climate goals.

The ABC appreciates the Department of Ecology's choice to exclude biomethane that is used to produce sustainable aviation fuel from these sourcing requirements until December 31, 2045. This will allow for continued and increased momentum for AJF production and use and will help drive down GHG emissions in the aviation sector. The growth of AJF used is a new and developing market opportunity for biomethane as it can be an important input for the fuel, helping it achieves lower CI's. The growing ambition in the state to increase AJF use will require the industry to significantly scale-up production and use of AJF, and excluding the fuel from sourcing requirements until December 31, 2045, is a step in the right direction. We recommend these same allowances be included for biomethane this is used to produce alternative marine fuel.

Lastly, ABC would like to comment on the proposed language establishing temporal matching requirements for biomethane. Temporal matching, as a concept, was born out of electricity markets, in recognition that emissions associated with electricity produced in certain geographies or during certain time periods may not be sufficiently reflected through environmental attributes of the purchased electricity. Temporal matching is intended to account for "induced" grid emissions. However, these criteria related to renewable electricity are not applicable to biomethane. These concepts simply do not recognize the different infrastructure systems at play when gaseous feedstocks, especially those transported in natural gas commercial pipelines are used.

The rationale for temporal matching renewable assets with consumption turns on the unique nature of electricity and the existing power grid. Electricity must be instantaneously consumed, meaning that power from intermittent renewable sources (like wind or solar) are not actually matching power consumption by a 24/7 facility. Storage can and will create more capacity to firm up renewable power but the U.S has only modest electricity storage assets. Beyond that, regional transmission bottlenecks limit the practical movement of power in and out of regions in the county.

Biomethane delivery does not raise the same concerns. The natural gas commercial pipeline systems in the US is not segregated by regions, as is the case with the electric grid. There is no analogy to a Regional Transmission Operator (RTO) for gas infrastructure, and no unique emission profile associated with specific regions on the gas grid. Therefore, there is no need to impose restrictions for biomethane. In addition, the natural gas system in North America has the added advantage of underground, and in some cases above ground storage to help manage supply and demand. This system capability is unique to the natural gas pipeline system. Natural gas storage capacity in the US is around 5 trillion cubic feet (Tcf), and it is capable of delivery up to 118 billion cubic feet per day, a rate that exceeds the highest historical average documented on the system. This must be considered because biomethane could be produced in the summer, for example, stored for several months, then transported via a nationwide system to Washington at any point, with high likelihood that timeline

could extend beyond three calendar quarters. This and other fundamental differences between the gas and electric grids demonstrate that temporal restrictions are neither appropriate nor necessary.

Natural gas markets are different from electricity markets by nature of the natural gas commercial pipeline value chain. The national pipeline system enables injected physical quantities to be accounted for and tied to equivalent quantities that can be dispensed elsewhere in the network carrying associated environmental attributes with assurance. The natural gas pipeline system is resilient to temporal changes due to a number of industry safeguards and real-time monitoring of gas supply, which is heavily scrutinized by the EPA and CARB today.

The natural gas pipeline system operates on a displacement basis, where all injections are balanced with consumption and storage. Physical volumes do not necessarily move – they balance. Another fundamental difference compared to electricity is methane's unlimited storability, which is solved for in today's gas grid through dedicated storage caverns, line packing and other means. While there is no physical basis or justification for limiting temporal deliverability, we encourage the Department to consider reasonable boundaries for program implementation that account for the storage capacity and flexibility delivery options available to biomethane.

We agree that a book-and-claim system based on physical connectivity is the right answer to support an efficient use of existing infrastructure, while also encouraging further investments, but believe that this provision imposes an unnecessary burden on fuel providers, as well as the Department of Ecology, without providing any additional GHG reductions or related benefits to the state. For these reasons, the ABC recommends removing the temporal matching language.

Hydrogen

The proposed amendments seek to set an 80% renewable requirement for hydrogen starting January 1, 2030, and makes hydrogen produced by fossil gas ineligible for CFS credit generation starting January 1, 2035, unless biomethane attributes are matched to the hydrogen production. The ABC appreciates the Department of Ecology recognizing the importance of biomethane use in hydrogen and its contribution to the fuel's renewable content. We recommend that biomethane to hydrogen remain unconstrained by timeline restrictions as it supports the state's zero-emission vehicle aspirations.

Emerging Fuels

The ABC supports the inclusion of alternative marine fuel into the program. This move will accelerate the adoption of clean fuels and technologies into other key hard-to-decarbonize sectors. However, the proposed definition creates an odd standard when it limits these fuels to "only the volume of fuel combusted within Washington waters." While we understand the need to constrain maritime fuel programs to intrastate activities, this is inconsistent with the treatment of other alternative fuels in the program. It is not required that the *combustion* of fuel be tracked, nor is it logical as it creates absurd results. Applying this concept to a common, light-duty vehicle example would mean the program would require that an end user track the gallons of biodiesel consumed on highways in WA, and that the fuel producer (credit generator) would have to follow the activities of every end use vehicle to validate credits, and that if a vehicle left the state on the same "tank" of fuel, that somehow those molecules would not qualify. Clean fuel programs, including Washington's, do not require credit generators to demonstrate fuel 100% was consumed/combusted in the state. Instead, it's based on dispensing fuel in the state. We recommend the same treatment be utilized for the definition of "alternative marine fuel." Dispensing activities are assumed to represent in-state use, but without the burden of tracking geospatial consumption data for every end use application.

Conclusion

Thank you for the opportunity to comment on the proposed changes to the program. The ABC and its members are proud to help build a more successful CFS and are committed to the Department of Ecology's efforts to continue to drive down emissions from transportation fuel. We look forward to engaging with staff on these topics.

Sincerely,

Patrick Serfass, Executive Director

About the American Biogas Council The American Biogas Council is the voice of the US biogas industry dedicated to maximizing carbon reduction and economic growth using biogas systems. We represent more than 400 companies in all parts of the biogas supply chain who are leading the way to a better future by maximizing all the positive environmental and economic impacts biogas systems offer when they recycle organic material into renewable energy and soil products. Learn more online at www.AmericanBiogasCouncil.org, Twitter @ambiogascouncil, and LinkedIn.