Newtrient LLC (Mark Stoermann)

Newtrient, representing a coalition of leading U.S. dairy cooperatives and organizations committed to reducing the environmental impact of dairy production, appreciates the opportunity to provide comments on the proposed amendments to the Climate Pollution Reduction Program (CPRP) under the Clean Fuel Standard (CFS). Our comments focus on the potential impacts of these regulations on Washington's dairy industry, a critical sector for the state's economy and environmental sustainability. We aim to ensure that the proposed changes support the continued viability of dairy farms while advancing the state's climate objectives.

August 1, 2025

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

Dear Washington Department of Ecology,

Newtrient, representing a coalition of leading U.S. dairy cooperatives and organizations committed to reducing the environmental impact of dairy production, appreciates the opportunity to provide comments on the proposed amendments to the Climate Pollution Reduction Program (CPRP) under the Clean Fuel Standard (CFS). Our comments focus on the potential impacts of these regulations on Washington's dairy industry, a critical sector for the state's economy and environmental sustainability. We aim to ensure that the proposed changes support the continued viability of dairy farms while advancing the state's climate objectives.

Importance of Methane Capture in Dairy Operations

The dairy industry in Washington is a significant contributor to the state's economy, supporting thousands of jobs and predominantly consisting of family-run operations. These farms are also key players in methane emissions management, utilizing anaerobic digesters to capture methane and convert it into renewable natural gas (RNG) or electricity. Since the early 2000s, projects like the Vander Haak Dairy Digester have demonstrated the efficacy of anaerobic digestion in reducing greenhouse gas (GHG) emissions. However, the proposed limitation of avoided methane crediting to 7.5 years threatens the financial sustainability of these projects.

Newtrient recommends that the Department permit unlimited crediting for avoided methane emissions from dairy-based biomethane projects, provided they deliver verified emissions reductions. This approach aligns with science-based life cycle assessments and internationally accepted carbon accounting practices, ensuring that dairy farms can continue to invest in and operate anaerobic digesters without the risk of becoming net GHG emitters due to premature shutdowns.

Economic Viability of Dairy Anaerobic Digesters

Anaerobic digesters operate on narrow financial margins, heavily reliant on clean fuel credit revenues to remain economically viable. The proposed 7.5-year crediting limit lacks a transparent scientific basis and deviates from policies in states like California and Oregon, creating regulatory fragmentation that undermines the Pacific Coast Collaborative's goals. Mischaracterizations of digester projects as highly profitable have led to policy proposals that fail to account for the economic realities faced by dairy farmers.

For example, without sustained crediting, existing facilities may face early closures, and planned projects may be canceled, directly impeding Washington's progress toward its 2050 GHG reduction targets. Newtrient urges the Department to adopt a more protective approach for existing anaerobic digestion infrastructure, ensuring that facilities like the Vander Haak Dairy Digester can continue to operate as GHG-reducing assets rather than risk reverting to net emitters.

Addressing Opposition to Dairy Operations

Newtrient acknowledges the Department's efforts to balance environmental concerns with economic realities. However, recent opposition from groups critical of animal agriculture risks influencing the rulemaking process with unsubstantiated claims. Washington dairy farms are rigorously regulated by the Washington State Department of Agriculture for environmental compliance, including nutrient management plans that mitigate water and soil pollution. Anaerobic digesters further reduce emissions and manage manure effectively, making them a proven tool for environmental stewardship.

We strongly recommend that the Department maintain a science-based approach to rulemaking, resisting pressure from unsupported sentiment. Disregarding the environmental and economic contributions of dairy farms undermines the integrity of the CPRP and jeopardizes the state's climate goals.

Support for Flexible Verification and Penalty Provisions

Newtrient supports the inclusion of a "true-up" mechanism in the draft rule, which provides flexibility for biogas systems affected by uncontrollable factors such as herd size variations, ambient temperature, or equipment downtime. This mechanism ensures that minor deviations from provisional carbon intensities do not result in punitive outcomes, encouraging continued investment in biomethane production while maintaining program integrity.

However, we oppose the proposed 4-to-1 penalty structure for carbon intensity exceedances. Excessive penalties, particularly for factors beyond a dairy farmer's control, could deter investment in new digester projects and limit the scalability of methane capture technologies. Newtrient recommends reducing the penalty ratio to a more balanced level and incorporating a grace period during which pathway holders can address deviations before penalties are applied.

Book-and-Claim System and Sourcing Requirements

The proposed amendments to the book-and-claim system, particularly the sourcing requirements for pipeline-injected biomethane, are overly restrictive and could hinder the growth of dairy-based RNG projects. Limiting biomethane to projects within Washington or specific interstate/international pipelines increases costs for renewable fuel producers and reduces the supply of low-carbon-intensity biomethane available to the state. This approach disadvantages out-of-state dairy projects that produce low-GHG fuels and limits clean fuel options for Washington consumers.

Newtrient recommends removing these sourcing restrictions to allow dairy-based biomethane projects from neighboring states, such as Oregon, Idaho, and Montana, to participate in the CFS. This would enhance the program's effectiveness in decarbonizing transportation fuels while supporting regional dairy farmers. Additionally, we support the exclusion of biomethane used for sustainable aviation fuel (SAF)

from sourcing requirements until December 31, 2045, and recommend extending this allowance to biomethane used for alternative marine fuel, aligning with the state's goals for hard-to-decarbonize sectors.

Temporal Matching Requirements

The proposed temporal matching requirements for biomethane are inappropriate for the natural gas pipeline system, which operates differently from electricity markets. Unlike electricity, biomethane can be stored for extended periods in the U.S. natural gas pipeline system, which has a storage capacity of approximately 5 trillion cubic feet and can deliver up to 118 billion cubic feet per day. This flexibility allows biomethane produced in one season to be transported to Washington months later, rendering temporal restrictions unnecessary.

Newtrient recommends eliminating the temporal matching language from the proposed amendments. Such restrictions impose an undue burden on dairy-based RNG producers without providing additional GHG reductions or environmental benefits to the state.

Support for Emerging Fuels and Hydrogen

Newtrient supports the inclusion of alternative marine fuel in the CFS, as it promotes clean fuel adoption in hard-to-decarbonize sectors. However, the proposed definition, which limits credits to fuel combusted within Washington waters, is inconsistent with the treatment of other alternative fuels. Requiring geospatial tracking of fuel consumption creates an unnecessary administrative burden for dairy-based fuel producers. We recommend aligning the definition of alternative marine fuel with other alternative fuels, basing credits on fuel dispensed in the state rather than tracking combustion locations.

Additionally, we support the recognition of biomethane's role in hydrogen production and recommend that biomethane-to-hydrogen pathways remain unconstrained by timeline restrictions. This will support Washington's zero-emission vehicle goals and enable dairy farms to contribute to the state's renewable hydrogen economy.

Conclusion

Newtrient appreciates the Department of Ecology's efforts to refine the Climate Pollution Reduction Program and advance Washington's climate objectives. However, the proposed amendments must consider the unique challenges faced by the dairy industry, which plays a vital role in methane emissions reduction through anaerobic digestion. By adopting science-based policies, removing restrictive sourcing and temporal requirements, and supporting flexible verification mechanisms, the Department can ensure that dairy farms remain viable contributors to the state's clean energy future.

We look forward to continued engagement with the Department to support a robust and effective Clean Fuel Standard that benefits both the environment and Washington's dairy industry.

Sincerely,

Mark Stoermann
Chief Operating Officer, Newtrient LLC

About Newtrient

Newtrient LLC, formed by leading U.S. dairy cooperatives, is dedicated to reducing the environmental impact of dairy production while enhancing economic viability. We support innovative technologies and practices, such as anaerobic digestion, to achieve net-zero emissions and improve water quality and soil health. Learn more at www.newtrient.com.