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August 1, 2025

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

Re: Chapter 173-424 WAC – Clean Fuels Program Rule – Comments of Avista Utilities

Dear Mr. Saul,

Avista Corporation, dba Avista Utilities (Avista), submits the following comments in accordance with the Department of Ecology's proposal notice CR-102 on June 16, 2025, relating to the Clean Fuels Program (CFP).

Avista appreciates the work of Department of Ecology Staff to develop rules to implement the CFP. Avista believes the draft rules can effectively leverage the expertise and innovation of utilities to support reduced emissions in the transportation sector, which is critical to achieving the new clean fuel standard trajectory enacted by the Legislature this year and the state's overall emission reduction goals.

Avista is an investor-owned utility providing both gas and electric service across a sizeable geographic footprint in Washington. As a provider of clean, affordable energy for more than 135 years, we are excited about the opportunities presented in this rule to promote the decarbonization of transportation fuels through the energy solutions and services we provide.

First, we should note that Avista is a signatory to "Joint Utility" comments being submitted on behalf of several natural gas companies in response this CR 102. We support in their entirety the comments presented in the Joint Utility submission. The comments in this document address rulemaking provisions that pertain to transportation electrification advanced by electric utilities.

Streamlining credit generation reporting and verification for electricity used as a transportation fuel

Transportation electrification is a maturing industry. The technology is well established and straight forward but expansion of EV infrastructure and bringing new technologies to scale is critical to meeting EV consumer expectations and achieving decarbonization targets in the transportation sector. The CFP rule should accommodate growth in this area to the greatest extent possible. This can be accomplished without compromising program integrity by minimizing administrative burdens and driving more investments in EV infrastructure. To this end, Avista proposes the following revisions to the current rule:

- **Delay third-party verification requirements for electricity used as a transportation fuel** – Delaying third-party verification, like California did in the early phase of its clean fuels program, will minimize administrative burdens and costs at a time when the state needs to drive investments in EV charging infrastructure. Electric credit generation through EV charging is fundamentally different than the generation of credits through the production of other fuels. EV charging verification could involve thousands of points of inspection which would be costly and divert resources from the infrastructure investments that are needed to meet emissions reduction requirements.
- **Do not require additional accuracy checks for utility meters and EV charging meters** - The rule is unclear whether verifiers would be required to perform meter accuracy checks for EV charging. Avista opposes any such requirement, which would be costly and duplicative of current regulatory oversight of meter accuracy. Utilities such as Avista are subject to metering industry standards that are enforced by our regulators – in Avista's case the Utilities and Transportation Commission. Additionally, EV charging standards are regulated and enforced by the Washington Department of Agriculture's Weights and Measures Division under Chapter 16-662 WAC, including accuracy requirements. Similar requirements in this rule would create unnecessary costs and administrative burdens.
- **Allow for remote verification of records inspection for credit generators using electricity as a transportation fuel** – The fuel pathways for determining and verifying carbon-intensity is much different and more straight forward for electricity than for other fuels. Electric credit generators, in most cases, will use an Ecology-assigned carbon intensity. This should alleviate the need for a fuel pathway application that is needed for other fuels. The measurement and documentation of electricity used for transportation fuels is verified through metering regulated for accuracy and data stored in the cloud or local servers. Physical inspection does not add value to the verification process for electric credit generation and would merely add unnecessary cost and administrative burdens to these credit generators. If needed, the rule can authorize on-site inspection of records of electric credit generators at Ecology's discretion if it determines unique circumstances exist that warrant an on-site inspection.
- **Clarify "less intensive verification" is allowed for credit generators using electricity as a transportation fuel** – The rule allows for "less intensive verification" in years when full verification is not required. The definition of "less intensive verification" indicates that this

process is allowed for "fuels other than electricity." It is our understanding than the inclusion of the phrase "other than electricity" was inadvertent. Avista requests this phrase be removed, whether or not Ecology agrees to delay third-party verification for electric credit generators.

Remove unnecessary restrictions on book-and-claim accounting for electricity used indirectly as a transportation fuel

Proposed changes to WAC 173-424-630 (5) (c) adds new restrictions on the use of renewable energy credits (RECs) to reduce the carbon intensity of electricity used as a transportation fuel. The language stipulates beginning January 1, 2026, RECs must be generated from facilities located exclusively in Washington, Oregon or Idaho that commenced operation or underwent incremental improvements completed after January 1, 2019. Avista opposes these new limitations. These new restrictions do not meet any public policy objective directed under the clean fuel standard statute and they fail to comport with other Washington clean energy policies and broadly accepted industry practices.

The requirement belies how utilities meet new loads while meeting clean energy standards. Such loads can be met in ways other than constructing new or expanded generation, including non-wire solutions such as energy efficiency and demand response. These alternative resources can serve new loads and achieve the same emissions reductions by displacing conventional transportation fuels with "non-emitting" resources.

Washington's transformational energy policies, which include the Energy Independence Act (EIA) and Clean Energy Transformation Act (CETA), both allow the use of RECs outside the Washington, Oregon, Idaho footprint for compliance. The region operates and transacts energy across the Western Interconnect, not along state boundaries. The underlying rule acknowledges the Western Renewable Energy Generation Information System (WREGIS) as the REC tracking system used to verify the creation and retirement of RECs. WREGIS certifies RECs across the Western Interconnect. Any RECs certified and retired under the WREGIS tracking system should qualify for book-and-claim accounting under the CFP rule, just as it is under CETA. A reduction in carbon anywhere is a benefit everywhere.

Finally, it is customary to establish a vintage for RECs based on when they are generated, rather than when a generating facility is built. If Ecology seeks to set forth a time frame within which RECs can be used, it would be more appropriate to base it on the RECs vintage – when it was generated – rather than when a facility was built.

Avista appreciates the opportunity to collaborate with Ecology and interested stakeholders on the development and refinement of the CFP rule. Please direct any questions regarding these comments to me at 509-495-2832 or rendall.farley@avistacorp.com.

Sincerely,

/s/Rendall Farley

Rendall Farley
Manager, Clean Energy Solutions