August 1, 2025

Adam Saul, CFS Rule Lead Washington Department of Ecology P.O. Box 47600 Olympia, WA 98504

#### RE: 3Degrees comments in Response to Proposed Rule Language for the Washington Clean Fuel Standard (CFS)

Dear Adam Saul and CFS Team,

3Degrees Group, Inc. (3Degrees) appreciates this opportunity to submit comments to the Department of Ecology (Ecology) on the forthcoming amendments to the CFS rule.

3Degrees is a global climate and clean energy solutions provider and is a strong supporter of the CFS program. We participate in the program as a designated reporting entity on behalf of a variety of opt-in parties with light-duty electric vehicle chargers, electric forklifts, hydrogen forklifts, and heavy-duty EV fleets. We are also an active fuel pathway developer.

We offer the following comments in response to the draft regulation published on June 16, 2025.

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Implementing a commercial operations date (COD) requirement for renewable electricity reported using book-and-claim systems provides additional environmental benefits to Washingtonians, but should ensure existing benefits are maintained.

3Degrees is supportive of Ecology's proposal to institute an additionality provision that encourages the development of new projects that have local benefits, in line with Ecology's stated goals for this rulemaking. We believe that the proposed 2019 COD is reasonable considering the relative age of the CFS program and availability of renewable energy resource generation in the region in recent years. As noted in our previous comments, we believe this provision would be strengthened by incorporating a rolling 15-year COD requirement for biogas-to-electricity facilities, which are an integral part of the renewable power industry. These facilities, many of which have been operational for some time, have differing practical and financial considerations from new wind and solar, and a rolling COD requirement would allow them to continue producing emission reduction benefits as new projects across sectors are brought online.

When coupled with the COD requirement, the proposed geographic boundary of WA, OR, and ID will significantly reduce available supply. 3Degrees has only observed around five projects that would meet the proposed criteria available on the unbundled market in recent years. Instituting COD and geographical restrictions simultaneously would overly constrain available supply, without time before 2026 to launch new projects. In order to maintain an available supply of RECs for the CFS program in the near term, we recommend maintaining the WECC

boundary. Alternatively, if the boundary is limited to OR, WA, and ID, consider shifting the COD slightly earlier to 2016.

The proposal to align with the California Air Resources Board (CARB) to impose a 4x deficit generation penalty for exceeding a predetermined CI score will disproportionately penalize the biogas sector and should be adjusted down.

While 3Degrees is supportive of Ecology's efforts to incentivize accurate calculations and reporting, adopting this penalty may unintentionally and disproportionately penalize well-intentioned pathway operators in sectors that have unavoidably variable CIs. In particular, digester-derived fuels processing organic wastes may generate explainably variable CIs that do not occur in other pathways. Given the range of technologies used across pathways, we recommend taking into account this diversity by implementing a 1x deficit penalty and/or a carve-out for all categories of digester-derived pathways that exceed their certified CI only as a result of organic variability in digester performance.

# Expanded opportunities for infrastructure crediting provide needed support for increased deployment, and should be available across the board.

3Degrees strongly supports the proposed expansion of infrastructure crediting in the CFS program, including the inclusion of shared sites and the emphasis on buildout of heavy duty charging infrastructure. These provisions, as well as credit generation up to 1.5x will provide a much needed boost for deployment in this sector at a time in which federal support for transportation electrification is waning. For the purposes of streamlining and alignment with CARB, we recommend adopting the same charging capacity calculation from CARB for both Heavy Duty (HD) and Light & Medium Duty (LMD) FCI, rather than introducing a new and separate calculation solely for Washington's LMD-FCI. Additionally, while we respect the focus on buildout of HD infrastructure, eliminating the opportunity for LMD Hydrogen crediting unnecessarily closes a door. As emphasized in Ecology Director Sixkiller's June 12 statement, Washingtonians strongly support more clean vehicle options and standards that drive innovation. Washington's CFS program should continue to be technology inclusive, even for smaller sectors, particularly as federal support for Hydrogen infrastructure waivers.

## 3Degrees would like to express strong support for the proposed third-party verification requirements, with some suggestions for operational considerations.

These provisions are for the most part very reasonable and in our view, are the most practical example across the existing clean fuel programs. In particular, we support the application of less-intensive verification of quarterly CFR reports to electricity based transactions types, and the specific allowance that site visits to the entities using an aggregator can be done at the verifier's discretion according to a sampling plan. We note that nonmetered residential EV charging is reasonably excluded from quarterly report verification and suggest that metered residential EV charging similarly be excluded, or at the very least exempted from site visit requirements due to personal privacy concerns. In order to smoothly operationalize the new verification requirements, we also offer the following adjustments:



- In the proposal, the Notice of Verification Services (NOVS) requires extensive information that is unreasonable to provide at such an early stage when pertaining to aggregated quarterly fuel transaction reports. As written, the NOVS would require dates and addresses of all site visits, which is difficult to provide accurately for aggregators with thousands of FSE. We recommend an exemption for aggregators, who may instead provide the target date range for visits in the NOVS and then update this according to 173-724-830(1)(c).
- It is proposed that site visits require visits to the facility in which records are stored, which may be incredibly distant from actual sites. Given that such records are all electronic and visits to headquarter offices could entail travel to multiple states, we recommend that verifiers be allowed to exercise discretion in remote methods for assessing record storage.
- It is proposed that fuel pathway reports and quarterly fuel reports both require site visits to locations where records are stored, and in many cases records are stored in the same location for both reports. Should physical site visits be required for record storage, we recommend allowing verifiers to combine these site visits, or at least perform them on the same day, to decrease cost and increase efficiency.

## The avoided methane crediting proposal opens up opportunities, but requires more precise wording.

3Degrees supports the inclusion of avoided methane crediting and appreciates the specificity of the baseline operations being defined as the previous five years. This provision allows for the possibility of stranded assets to once again contribute to emissions reductions. We recommend wording in section 173-424-610 (16)(a)(iii) be amended from "anaerobic lagoon" to "anaerobic storage lagoon or vessel" since some farms utilize anaerobic storage tanks that are functionally equivalent. More specific wording would ensure that functionally equivalent operations be included in this opportunity.

#### 3Degrees supports the introduction of a credit true-up mechanism.

The credit true-up mechanism increases the robustness of the program and incentivizes accurate accounting and reporting. In order to align with CARB, remove ambiguity, and further bolster participant confidence, the existing "may" language in 173-424-610(9)(m) should be replaced with "shall".

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3Degrees appreciates this opportunity to provide feedback and we look forward to continuing to work with Ecology on the development of the CFS. Please reach out with any questions or for further discussion.



Sincerely,

/s/ Theresa Keith

Theresa Keith Policy Manager, Regulatory Affairs <u>tkeith@3degreesinc.com</u>