



**Antonio Machado**

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Sent via upload to: <https://ecology.commentinput.com/?id=HreYsPb4D>

Ms. Lauren Sanner  
Climate Rulemaking Planner  
Washington State Department of Ecology  
300 Desmond Drive SE  
Lacey, WA 98503

Re: WSPA Comments on Rulemaking to Amend Chapter 173-424 WAC and WAC 173-455-150 –  
Clean Fuels Program

Dear Ms. Sanner,

The Western States Petroleum Association (WSPA) appreciates the opportunity to provide comments on the Washington Department of Ecology's rulemaking to amend Chapter 173-424 WAC (Clean Fuels Program) and WAC 173-455-150 (fee provisions) to implement House Bill 1409 and update Clean Fuel Standard requirements. WSPA is a non-profit trade association that represents companies that safely explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California, Washington, Oregon, Nevada, and Arizona.

WSPA member companies participate in Washington's Clean Fuels Program (CFP) and similar programs in Oregon and California and seek to provide practical input based on their compliance experience to support effective program implementation.

Ecology has announced that this rulemaking will update carbon intensity reduction schedules for 2028–2038, require use of WA-GREET 4.0, and consider other technical amendments to improve implementation and program integrity. At this stage, draft regulatory language has not yet been published. Accordingly, WSPA's comments focus on key implementation principles and technical considerations that should guide Ecology's development of proposed rule language.

WSPA's comments in this rulemaking are consistent with positions previously submitted to Ecology during the June 7, 2024 Clean Fuels Program workshop, to Oregon DEQ regarding the OR-GREET 4.0 transition (July 31, 2024), and to the Oregon Department of Energy regarding the 2025 Oregon Energy Strategy (September 22, 2025). WSPA reiterates those principles here to ensure regulatory continuity and program stability.

## **General Comments**

### **Carbon Intensity (CI) Reduction Targets and Modeling Assumptions**

Ecology's rulemaking will establish future CI reduction schedules pursuant to HB 1409. WSPA respectfully urges Ecology to ensure that future CI targets are grounded in realistic, transparent, and defensible modeling assumptions.

Specifically:

- Modeling should incorporate real-world infrastructure constraints, permitting timelines, workforce availability, capital investment cycles, and consumer adoption rates.

- Electrification credit projections should be based on conservative, supportable assumptions regarding vehicle deployment, grid capacity, and charging infrastructure availability.
- Fuel supply availability, feedstock constraints, and interstate fuel trade impacts must be reflected in modeling outcomes.
- The economic impact of accelerated targets on fuel costs and consumers should be carefully evaluated.

As WSPA stated in its September 22, 2025 comment letter on the Oregon Energy Strategy<sup>1</sup> and in its June 7, 2024 comments during Ecology’s Washington Clean Fuels Program workshop process<sup>2</sup>, durable decarbonization policy must remain technology-neutral and cost-effective. Policies that implicitly favor one compliance pathway over others risk distorting markets and increasing overall compliance costs without improving lifecycle emissions outcomes.

A compliance pathway that depends on overly optimistic electrification or credit generation assumptions may lead to market volatility, credit shortages, and disproportionate compliance costs. Ecology should publish modeling assumptions and allow stakeholders meaningful opportunity to review and comment before finalizing reduction schedules.

In addition, WSPA encourages Ecology to carefully evaluate the pace of annual carbon intensity step-down requirements established pursuant to HB 1409. While the statutory framework provides a range for annual reductions, implementation decisions that effectively “super-accelerate” compliance obligations without appropriate flexibility mechanisms may increase consumer cost impacts and create market instability. The absence of a reset or cost-containment mechanism in the event of unforeseen market disruptions could disincentivize longer-term investments in lower-carbon fuel development. Ecology should ensure that compliance pacing remains technologically feasible and economically sustainable.

## **WA-GREET 4.0 Transition and Implementation**

Ecology has announced that this rulemaking will require use of WA-GREET 4.0. WSPA supports science-based updates to lifecycle models but urges Ecology to ensure that the transition to WA-GREET 4.0 is orderly, predictable, and administratively workable. Because lifecycle modeling updates, including updates to indirect land use change (ILUC) assumptions, can materially affect certified CI values, careful implementation will be essential to avoid unintended compliance and market consequences.

In particular, CI exceedances or deficit positions resulting solely from model transitions should not trigger penalties, enforcement actions, or retroactive credit invalidations. Ecology should outline a defined transition period during which previously certified pathway codes remain valid to enable orderly inventory turnover and completion of existing commercial transactions. Clear guidance regarding effective dates, recertification requirements, and applicability of updated CI values will be essential to avoid compliance uncertainty and market disruption.

WSPA further encourages Ecology to ensure that lifecycle modeling incorporates the most up-to-date and scientifically supported assumptions regarding land use change and evolving agricultural practices. Advances in feedstock production, crop yields, and fuel production technologies warrant careful consideration to ensure that lifecycle carbon intensity values reflect current science and do

<sup>1</sup> [Oregon State Energy Strategy Feedback - WSPA Comments - Page 714](#)

<sup>2</sup> [WSPA Comments on May 2024 CFP Rulemaking Workshops](#)

not inadvertently restrict access to lower-carbon fuels that are contributing to emission reductions today. Incorporation of updated ILUC assumptions within WA-GREET 4.0 should therefore be grounded in transparent methodology and supported by current empirical data.

As WSPA stated in its November 21, 2024 comments to the Oregon Department of Environmental Quality (ODEQ) regarding the OR-GREET 4.0 transition<sup>3</sup>, CI exceedances resulting solely from a model update should not trigger penalties or enforcement actions. In ODEQ's guidance related to the OR-GREET 4.0 transition, the department indicated that annual reports using OR-GREET 3.0 would be used to evaluate compliance with existing pathways, while OR-GREET 4.0 would be used to transition pathways for future reporting years<sup>4</sup>. The same principle should apply to the WA-GREET 4.0 transition to preserve regulatory predictability and market stability.

### **Regulatory Alignment and Multi-State Consistency**

Washington's Clean Fuels Program operates within an integrated West Coast fuel market. Regulatory divergence among Washington, Oregon, and California can create duplicative administrative burdens and supply inefficiencies.

Ecology should seek alignment with existing programs where feasible while avoiding premature adoption of complex provisions from other jurisdictions before those provisions have been fully implemented and evaluated. Streamlined recognition of fuel pathway certifications and coordination on lifecycle modeling updates can help preserve regional fuel supply stability while maintaining environmental integrity. Maintaining regulatory consistency across jurisdictions reduces compliance complexity and supports cost-effective emissions reductions.

However, WSPA notes that certain provisions adopted in California's 2025 Low Carbon Fuel Standard amendments, including biomass sustainability requirements and restrictions on credit generation for certain crop-based diesel pathways, have not yet been fully implemented in that state. In fact, California has delayed implementation of the biomass sustainability requirements, and restrictions commonly referred to as the "crop cap" are not effective for most regulated entities until 2028. WSPA therefore encourages Ecology to refrain from incorporating these provisions into the current rulemaking until their implementation and market impacts have been fully evaluated in California.

### **Technology Neutrality and Fuel Pathway Flexibility**

The Clean Fuels Program was designed as a technology-neutral mechanism that rewards verified lifecycle emission reductions regardless of fuel type. Preserving this principle is essential.

Policies that disproportionately burden specific fuel pathways or limit credit generation opportunities for certain fuels risk narrowing compliance options and increasing overall program costs. A durable compliance framework should allow multiple pathways, including liquid fuels, renewable fuels, gaseous fuels, and electrification, to compete based on verified lifecycle performance.

WSPA is also concerned that limiting or restricting credit generation opportunities for liquid or gaseous fuel alternatives would add unnecessary complexity to the program and reduce cost-effective decarbonization options. Such limitations may create market uncertainty for fuel suppliers and undermine investments in lower-carbon liquid fuel technologies that are delivering emission reductions today. Maintaining balanced crediting provisions across fuel categories is essential to

<sup>3</sup> [WSPA Comments on November 2024 OAR Chapter 340 Page 58](#)

<sup>4</sup> [Oregon DEQ Annual Fuel Pathway Report - 2025](#)

preserving program stability.

Maintaining flexibility in feedstock sourcing and fuel pathway certification is similarly important. Requirements that are overly restrictive, administratively duplicative, or unclear may constrain supply without yielding additional environmental benefit.

### **Feedstock Traceability and Sustainability Considerations**

If Ecology considers updates to feedstock sustainability or traceability requirements, those provisions must be clearly defined and administratively feasible. WSPA remains concerned that adoption of overly restrictive “sustainability guardrails” would limit access to crop-based feedstocks that are currently contributing to significant lifecycle emission reductions.

Policies affecting interstate or international feedstock trade may be more effectively addressed through broader trade policy frameworks rather than lifecycle fuel regulations. Restrictions that materially constrain access to widely used agricultural feedstocks may have broader implications for West Coast fuel supply stability and affordability.

WSPA also recommends Ecology provide additional clarity on the specified source feedstock attestation requirements. Recognized third-party certification systems such as the International Sustainability and Carbon Certification (ISCC), or compliance documentation under the federal Renewable Fuel Standard (40 CFR Part 80), should be deemed equivalent to specified source feedstock attestation requirements to avoid duplicative documentation burdens.

The rule should clearly identify the appropriate entity responsible for issuing attestation letters, which most logically would be the entity directly upstream of the fuel producer. Requiring reporting entities to collect attestations from thousands of individual points of origin would be unnecessarily burdensome and would not materially enhance program integrity. Ecology should also clarify that a single attestation may cover all feedstock supplied by an entity within a calendar year.

### **Credit Market Stability and Enforcement Structure**

The Clean Fuels Program relies on a functioning and predictable credit market. Rule changes that create retroactive deficit obligations, disproportionate penalties, or uncertainty regarding credit validity may undermine market confidence.

Enforcement provisions should be prospective, proportionate, and clearly defined in advance of implementation. Regulatory certainty is essential for long-term investment decisions and for maintaining a stable and transparent credit market. WSPA previously raised concerns during Ecology’s June 7, 2024 Clean Fuels Program workshop regarding disproportionate deficit obligations and retroactive liability structures. Regulatory changes that introduce retroactive credit invalidation or pathway holder liability may undermine market confidence and investment stability.

### **Reporting and Administrative Implementation**

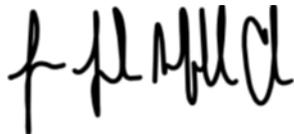
Ecology has indicated that technical amendments may be considered to improve program implementation and fee administration. As such changes are developed, WSPA encourages the Department to engage stakeholders early and to ensure that reporting requirements are clear, consistent, and structured to minimize duplicative submissions. Adequate lead time for system modifications and clear compliance guidance will help avoid administrative disruption and reduce the likelihood of reporting errors or unintended noncompliance.

## Conclusion

WSPA appreciates Ecology's continued engagement during the CR-101 phase of this rulemaking. As draft regulatory language is developed, WSPA respectfully urges the Department to ensure that carbon intensity reduction schedules are grounded in transparent and realistic modeling assumptions, that the transition to WA-GREET 4.0 is orderly and does not create retroactive compliance obligations, and that regulatory alignment with other West Coast programs is preserved where appropriate. WSPA further encourages Ecology to maintain technology neutrality and feedstock flexibility as core principles of the program and to safeguard credit market stability and administrative predictability as these amendments move forward.

WSPA appreciates the opportunity to submit comments on this important rulemaking process and remains committed to constructive engagement. We welcome the opportunity to meet with Ecology to discuss these comments in greater detail. We encourage Ecology to contact us should any clarification be needed. Please do not hesitate to contact me directly at (360) 594-1415 or via email at [amachado@wspa.org](mailto:amachado@wspa.org).

Sincerely,



Cc: Jessica Spiegel - WSPA