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Lauren Sanner
Department of Ecology
Climate Pollution Reduction Program
PO BOX 47600
Olympia, WA 98504-7600

Submitted online via: Chapter 173-424 WAC and WAC 173-455-150, Clean Fuels Standard Rulemaking Informal Comment Period for Transportation Electrification

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

Dear Ms. Sanner and Department of Ecology CFS Rulemaking staff,

Avista Corporation, dba Avista Utilities (Avista), respectfully submits the following comments on the Department of Ecology's Clean Fuels Standard (CFS) Guidance on Residential EV Charging Credit Revenue Requirements. Avista appreciates the continued work of Ecology staff to implement the CFS program and offers the following recommendations to support effective program implementation, equitable investment, and administrative feasibility.

Program implementation, market conditions, and need for stability

Avista recommends that the Department prioritize near-term implementation stability and avoid material changes to credit eligibility or spending requirements while utilities continue to establish programs and deploy Clean Fuels Program revenues.

Program implementation is occurring under early-stage market conditions. Credit generation volumes have been limited due to the relatively low adoption of electric vehicles, and credit pricing has only recently begun to increase. These factors constrain the scale and timing of program development and require utilities to take a measured approach to program design and deployment.

Avista is actively utilizing CFS revenues and has developed a portfolio of programs to support beneficial transportation electrification in eastern Washington. Please see our 2025 Transportation Electrification Plan (TEP), recently acknowledged by the Washington Utilities and Transportation Commission for more details, which may be accessed at https://myavista.com/transportation.

Our plans to utilize CFS revenues include expansion of the highly successful **Community EV Program**, which provides electric vehicles and charging infrastructure to community-based organizations serving disadvantaged and underserved populations. This program enables expanded access to transportation and supports delivery of critical services, while raising positive awareness of electric transportation within the community. In 2025, partnerships with 16 non-profit organizations provided 121,677 passenger-miles of service, and in 2026 an additional 4 partnerships will be added. CFS revenues play a critical role in enabling and expanding this successful program.

In 2024 and 2025, Avista was able to earn early-stage CFS credits, monetizing $790,230 and deploying $548,272 in funding for TE programs with carry-over to the subsequent year. In 2026, Avista is actively deploying CFS revenues to fund **maintenance of charging infrastructure, innovative fleet electrification services, and education and outreach activities outlined in its TEP**. It will be a critical funding mechanism in the future to help accelerate transportation electrification that benefits all customers through transportation savings, environmental benefits, and electric affordability. Per the TEP, over $4 million of CFS funding is expected and planned for TE programs through 2030.

In summary, Avista has demonstrated its capability and prudency in deploying CFS funding for beneficial and cost-effective TE programs and is committed to maximizing the use of CFS funding in the future for the benefit of the eastern Washington region. As market conditions evolve and funding opportunities grow, maintaining regulatory stability will enable Avista and other Washington utilities to scale existing programs, implement new offerings, and maximize the long-term benefits of CFS investments. Material or frequent changes to program requirements at this stage would introduce uncertainty, delay implementation timelines, and reduce the overall effectiveness of the program. Allowing sufficient time for program development and funding deployment will better support the achievement of statutory objectives.

Expand Category 2 eligibility to better reflect disadvantaged communities

Avista recommends that the Department revise Category 2 guidance to explicitly include Named Communities and Tribal lands as eligible locations.

Currently, the Environmental Health Disparities (EHD) Map serves as the primary tool for determining Category 2 eligibility. However, this framework largely emphasizes higher-density population centers, which can result in the exclusion of **rural and Tribal communities**. These areas often face significant transportation challenges, including longer travel distances, limited access to transportation services, and higher relative transportation costs.

As a result, portions of Avista's service territory, including Tribal lands and "named communities" identified by Avista in its Clean Energy Implementation Plan based on CETA's definitions of highly impacted communities and vulnerable populations, may not meet EHD ranking thresholds even though they experience meaningful disadvantages and align with the intent of RCW 70A.535.080. Improved alignment across programs serving highly impacted communities should result in more meaningful and sustained benefits over time.

Expanding Category 2 eligibility to include these communities would better align program implementation with statutory intent and ensure that CFS investments reach a broader and more representative set of disadvantaged populations. CFS funding can provide meaningful support in these areas, where transportation cost burdens are often greatest.

Avista recommends that the Department address this gap by designating Named Communities and Tribal lands as Ecology Areas of Concern, consistent with statutory authority and established state equity frameworks, including the Clean Energy Transformation Act, the HEAL Act, and the Climate Commitment Act.

Identification of Ecology Areas of Concern

Avista notes that two of the three statutory pathways for demonstrating Category 2 compliance are not currently operational. Federal nonattainment and maintenance area data is not readily accessible for this purpose, and the Department has not identified applicable Areas of Concern.

Avista recommends that Ecology establish and publish a defined list or methodology for Areas of Concern as part of the next update to the guidance document. Development of this framework through a stakeholder process would support transparency and consistent application.

Proportional reporting of EVSE maintenance spending

Avista recommends that the Department allow a proportional allocation methodology for reporting electric vehicle supply equipment (EVSE) operations and maintenance (O&M) expenditures.

Under the current framework, utilities must track O&M spending at the individual asset level to determine attribution across spending categories. As charging infrastructure scales, this requirement becomes increasingly burdensome and inefficient.

A proportional approach—allocating O&M expenditures based on the share of charging ports located in Category 2-eligible areas relative to the total system—would reduce the administrative burden while maintaining a reasonable and consistent method for demonstrating compliance. This approach would also support ongoing system reliability, which is critical to customer adoption of electric vehicles.

Avista appreciates the opportunity to provide these comments and to continue working collaboratively with the Department and stakeholders to support successful continuation of the Clean Fuels Program. 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