Pacific Merchant Shipping Association (Jordan Royer)

The Pacific Merchant Shipping Association (PMSA) appreciates the opportunity to provide comments regarding the Department of Ecology's (DOE) rulemaking process for the Washington Clean Fuel Standard (CFS). Please find attached our comments regarding Rulemaking 173-424 WAC and WAC 173-455-150 Clean Fuels Program Rule and Clean Fuels Program Fees. PMSA looks forward to working with DOE throughout this rulemaking process and would be happy to discuss the issues further with DOE staff.

PMSA
PACIFIC MERCHANT SHIPPING ASSOCIATION

June 16, 2026

Joel Creswell, Ph.D.
Washington Department of Ecology
15700 Dayton Avenue N.
Shoreline, Washington 98133
Submitted electronically to https://ecology.commentinput.com/?id=r6j3iP8k4

Comments on Rulemaking 173-424 WAC and WAC 173-455-150 Clean Fuels Program Rule and Clean Fuels Program Fees

Dear Dr. Creswell:

The Pacific Merchant Shipping Association (PMSA) appreciates the opportunity to provide comments regarding the Department of Ecology's (DOE) rulemaking process for the Washington Clean Fuels Standard (CFS). PMSA is a regional trade association representing ocean carriers and marine terminal operators serving Washington's trade demands through the state's commercial ports. Our ocean carrier and marine terminal operator members own and operate considerable equipment in Washington that could be further incentivized to accelerate the transition to zero emissions. Under California's Low Carbon Fuel Standard (LCFS), PMSA already works with our members in Oakland, Los Angeles, and Long Beach to successfully participate in the program. PMSA collects and submits the data, realizes the credits on behalf of PMSA members, remits credit proceeds, and tracks credit proceed expenditures consistent with the requirements of the LCFS program.

PMSA offers the following comments regarding this CFS rulemaking that would help the CFS meet its goals, including maximizing support for transportation electrification (TE) by targeting incentives to companies that have the authority to make the operational decisions to deploy and operate zero and near-zero emission equipment.

Utility Revenue Spending Requirements

Per the CFS Guidance on Residential EV Charging Credit Revenue Requirements, the DOE recommends that electric utilities design and implement TE projects that among other considerations, "Provide the majority of benefits to residential customers." While remaining consistent with the directives outlined in the CFS regulation, including ensuring all CFS residential EV charging credit revenues are spent on TE projects (RCW 70A.535.080), PMSA suggests that DOE broaden the utility revenue spending recommendations. These recommendations should also encourage investments in TE projects that benefit the broader community in other sectors, including shipping and maritime operations. Encouraging reinvestment in TE beyond residential EV charging would often result in more cost-effective investment, a better use of the funds' decarbonization leverage in the Washington economy.

For example, a recent program announced by the California Air Resources Board (CARB) highlights the potential for this expanded TE reinvestment opportunity. In May 2026, CARB announced $1 billion in incentives through the California Clean Fuels Rewards Program funded by electric utility residential EV charging credit revenues from LCFS. This program will offer point-of-sale rebates for electric medium- and heavy-duty trucks to incentivize investments in freight corridors. PMSA recommends that DOE consider a similar approach to investing electric utility credit revenue that would encourage the uptake of zero and near-zero emissions equipment, including medium- and heavy-duty electric vehicles, in Washington.

Third-Party Verification Cost Offsets

PMSA recommends that DOE consider allowing reinvestment of some electric utility credit revenue in programs or funds that would help offset the cost of third-party verification requirements for electric credit generators. The costs of the verification process can deter these entities from participating, generating credits, and reinvesting those credits in emissions reduction projects, especially during periods of lower credit prices.

Capacity Credits

The Washington DOE Clean Fuel Standard currently diverges from LCFS with respect to its treatment of capacity credits. Under the CFS, capacity credits are only available to public sites or sites that are shared by two or more fleets. In California, private fleets can receive 50% of the capacity credit generation potential as public fleets. This opportunity incentivizes private fleet owners in California to prioritize TE infrastructure investment and would similarly attract participation in the WA CFS program, especially in earlier stages of their electric fleet deployment.

Conclusion

PMSA encourages DOE to incorporate these changes as part of this CFS rulemaking process. PMSA looks forward to working with DOE throughout this rulemaking process and would be happy to discuss the issues further with DOE staff. Feel free to reach me by phone at (510) 987-5000 or by email at mjacob@pmsaship.com.

Sincerely,

Mike Jacob
President