

Western States Petroleum Association (Antonio Machado)

WSPA appreciates Ecology's continued stakeholder engagement throughout this rulemaking process. Please see uploaded comment letter. Thanks!



Antonio Machado

Director, Northwest Regulatory Affairs and Fuels

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Sent via upload to: <https://ecology.commentinput.com/?id=r6j3iP8k4>

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

Re: WSPA Comments on Clean Fuels Standard Energy Economy Ratios and Transportation Electrification Workshop – Rulemaking to Amend Chapter 173-424 & 173-455-150 WAC

Dear Ms. Sanner,

The Western States Petroleum Association (WSPA) appreciates the opportunity to provide comments on Ecology's May 27, 2026 Clean Fuel Standard (CFS) Electrification Workshop addressing transportation electrification and Energy Economy Ratios (EERs) as part of the 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 Fuel Standard and similar programs in Oregon and California and seek to provide practical input based on extensive compliance and implementation experience.

WSPA appreciates Ecology's continued stakeholder engagement throughout this rulemaking process. As Ecology considers potential modifications to the Clean Fuel Standard related to transportation electrification and EER methodologies, WSPA respectfully encourages the Ecology to preserve the foundational principles that have contributed to the success of clean fuel programs across the West: technology neutrality, market stability, regulatory predictability, transparency, and cost-effective lifecycle greenhouse gas reductions.

General Comments

Technology Neutrality and Durable Decarbonization Policy

A Clean Fuel Standard policy has shown success when it functions as a technology-neutral, performance-based program that rewards verified lifecycle greenhouse gas reductions regardless of fuel type or technology pathway. The market-based framework has encouraged innovation and expansion of existing low carbon fuels while allowing regulated entities to identify its most cost-effective pathway to compliance.

Transportation decarbonization is not a single-technology challenge. Achieving Washington's long-term climate objectives will require a diverse portfolio of solutions, including renewable liquid fuels, renewable gaseous fuels, electricity, hydrogen, and emerging technologies that may not yet be commercially available at scale. Policies that disproportionately favor one technology pathway over others risk increasing compliance costs, reducing flexibility, and limit innovation, which has made clean fuel programs successful.

WSPA encourages Ecology to maintain an all-of-the-above approach that allows multiple compliance pathways to compete based upon verified environmental performance rather than policy or technology preference. A durable and effective clean transportation strategy should reduce barriers across the full energy system and focus on achieving measurable emission reductions at the lowest reasonable cost while preserving reliability, affordability, and consumer choice.

Changed Market Conditions and Electrification Assumptions

Since Washington's Clean Fuel Standard was adopted, significant changes have occurred in the automotive marketplace, including federal and state regulatory frameworks, manufacturer product planning, and broader economic conditions that are affecting vehicle purchasing decisions.

Recent federal and state policy developments, evolving consumer demand trends, affordability concerns, charging infrastructure deployment challenges, and changing economic conditions have altered assumptions regarding the pace of battery electric vehicle (BEV) adoption. Manufacturers, regulators, and market analysts have increasingly reassessed near-term projections lowering the expected vehicle electrification and future BEV market penetration.

These developments are directly relevant to Ecology's consideration of transportation electrification proposals and EER revisions. WSPA is concerned that using a limited data set to increase EER values that will generate additional Clean Fuel Standard credits for Electric Utilities may be viewed as a mechanism to compensate for slower-than-anticipated electrification trends rather than as an objective update to a technical program parameter.

If underlying assumptions regarding the pace of vehicle electrification uptake and infrastructure development have changed, Ecology should evaluate those changes transparently and comprehensively rather than in isolation through an EER. Importantly, Plug in Hybrid electric vehicles (PHEV) fuel efficiency depend heavily on the driving behavior of the owner and should not be lumped in with a fully electric powertrain¹ as Ecology will risk providing CFP credits where reductions have not actually occurred. Program parameters should reflect actual market conditions and objective technical analysis rather than serve as tools to achieve predetermined compliance outcomes.

Transportation Electrification and Program Scope

During the workshop, Ecology discussed several concepts intended to increase transportation electrification through the Clean Fuel Standard, including revisions to EER methodologies, transit-related crediting approaches, and additional electrification-focused compliance mechanisms.

While WSPA supports continued evaluation of transportation-sector emissions reductions, Ecology should carefully consider whether proposed modifications remain consistent with the purpose and structure of the Clean Fuel Standard. The Clean Fuel Standard was established as a fuel carbon intensity program designed to reduce lifecycle greenhouse gas emissions associated with transportation fuels. The effectiveness and credibility of the program depend upon maintaining a direct relationship between credit generation and the carbon intensity performance of transportation fuels.

The EER introduces a separate consideration based on vehicle technology and powertrain efficiency rather than the lifecycle carbon intensity of the fuel itself. While vehicle efficiency is an

¹ ICCT White Paper, [Real World Usage of Plug-In Hybrid Vehicles in the United States](#)

important transportation policy consideration, it is distinct from fuel carbon intensity. As EER values increase, credit generation becomes increasingly influenced by vehicle characteristics rather than by the environmental performance of the fuel.

Similarly, proposals involving transportation electrification incentives, transit-related crediting mechanisms, vehicle miles traveled reductions, or other indirect transportation outcomes raise important questions regarding program scope.

These policy objectives may be worthwhile, but they are distinct from the traditional role of the Clean Fuel Standard as a fuel carbon intensity program and should be carefully evaluated before being incorporated into the program.

Energy Economy Ratio (EER) Methodology

WSPA appreciates Ecology's efforts to improve transparency regarding its review of Energy Economy Ratios. However, we are concerned that the current discussion appears focused on increasing electricity credit generation rather than objectively evaluating whether existing EER values accurately reflect vehicle performance and fuel usage.

As discussed during the workshop, Ecology is evaluating a Washington-specific methodology that could increase the current light-duty EER from 3.4 to approximately 4.2. Such a revision would substantially increase credit generation for electricity, credit market dynamics, investment decisions, and competitive relationships among fuel pathways.

Technical program parameters should be updated because the underlying science and data support a revision, not because a higher value advances a preferred policy outcome.

Stakeholders should have confidence that program assumptions are being evaluated objectively and consistently across all fuel pathways. WSPA is particularly concerned that the EER is increasingly being used as a policy lever to fund transportation electrification rather than as a technical adjustment intended to reflect actual energy efficiency. The purpose of an EER should be to accurately represent vehicle and fuel performance, not to artificially increase credit generation for a preferred technology pathway.

If Ecology elects to revisit longstanding technical assumptions within the Clean Fuel Standard, similar consideration should be given to other program inputs and methodologies that may warrant review based on updated data, market conditions, or technological developments. Applying a consistent analytical framework across the program is essential to maintaining technology neutrality and stakeholder confidence.

Technical Considerations Regarding Ecology's Preliminary Analysis

Based on Ecology's workshop presentation and supporting materials, WSPA believes additional technical review is warranted before any EER revisions are proposed.

The limitations identified by Ecology during the workshop suggest that the preliminary analysis should not be relied upon as the basis for a significant EER revision without additional validation. Several methodological choices appear likely to bias results in favor of higher EER values and warrant further independent review before any proposed rulemaking is advanced.

Ecology acknowledged several limitations associated with the preliminary analysis, including

reliance on text-based matching between vehicle registration and fuel economy datasets, manual adjustments to vehicle records, exclusion of unmatched registrations, and use of a relatively limited registration data period. These limitations create uncertainty regarding whether the resulting EER value accurately reflects the current Washington vehicle fleet.

We have identified several methodological concerns that warrant further evaluation, including:

- The treatment of vehicle registrations where both gasoline and diesel variants exist and whether fuel economy values are appropriately assigned across those vehicle populations.
- The treatment of hybrid vehicle registrations and whether assigned fuel economy values accurately reflect the actual use of the vehicle by an owner.
- The selection of the registration data period and whether less than one year of data provides a sufficiently representative sample for a program parameter with long-term regulatory implications. And the need to annually update registration data to reflect the actual WA fleet of vehicles before credits are awarded.
- The potential impact that simplifying assumptions may have on the resulting EER calculation and whether those assumptions systematically influence the outcome.

Because EER values directly affect credit generation and compliance obligations, any proposed revision should be supported by a robust technical record, transparent methodology, independent review, and meaningful stakeholder engagement before formal rule language is developed.

Independent Review and Regulatory Consistency

Given the significance of the proposed EER change and its potential impact on credit generation, compliance costs, and market dynamics, WSPA encourages Ecology to provide stakeholders with a complete technical record supporting any proposed revision.

This should include sufficient documentation of the underlying data sources, assumptions, methodologies, calculations, and sensitivity analyses used to develop any revised EER values. Stakeholders should have a meaningful opportunity to review and comment on the technical basis for any proposed changes before rule language is formally proposed.

Providing a transparent and well-documented analytical record will help improve stakeholder confidence, facilitate informed public participation, and ensure that any revisions are supported by objective technical evidence.

More broadly, revisions to technical program elements should be grounded in objective analysis and applied consistently across technologies and fuel pathways. A durable compliance program should avoid creating incentives that effectively select preferred technologies or compliance pathways and instead focus on achieving verified lifecycle emissions reductions at the lowest reasonable cost.

Market Stability and Program Predictability

The Clean Fuel Standard depends upon a functioning and predictable credit market. Changes that significantly alter credit generation dynamics should be evaluated carefully to understand potential impacts on market stability, compliance costs, fuel affordability, and long-term investment decisions.

WSPA encourages Ecology to continue engaging stakeholders throughout this process and to ensure that any proposed revisions are supported by transparent analysis, adequate implementation timelines, and meaningful opportunities for stakeholder review and comment.

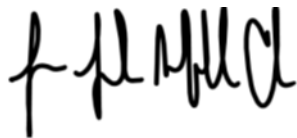
Conclusion

WSPA appreciates Ecology's continued engagement throughout this rulemaking process and the opportunity to provide comments regarding transportation electrification and Energy Economy Ratios.

As Ecology continues development of proposed rule language, WSPA respectfully urges the Department to preserve technology neutrality as a foundational principle of the Clean Fuel Standard; ensure that any revisions to EER methodologies are supported by transparent, objective, and independently validated analysis; carefully evaluate proposals that extend beyond the traditional scope of a fuel carbon intensity program; consider evolving market conditions and electrification assumptions; and preserve market stability and regulatory predictability throughout the rulemaking process.

WSPA appreciates the opportunity to submit comments on these important issues and remains committed to constructive engagement. We welcome the opportunity to discuss these comments further and 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.

Sincerely,



Cc: Jessica Spiegel - WSPA