July 31, 2026

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Submitted online via: [Chapter 173-424 WAC and WAC 173-424-150, Clean Fuel Standard Rulemaking, Fees and Buying and Selling Credits]

Re: July 15, 2026 request for comments on Clean Fuel Standard (CFS) workshop

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

Thank you for the opportunity to comment on this important workshop on the CFS. Our five undersigned utilities, Avista, Puget Sound Energy, Seattle City Light, Snohomish County PUD, and Tacoma Power, ("joint utilities"), which collectively serve over 3.5 million residents in Washington, are active participants in the CFS and the rulemaking process to establish and update the CFS. The joint utilities are supporters of the CFS and appreciate the Department of Ecology's ("Ecology's") work to implement it.

Our comments below cover the following issues:

1) Fees
2) Buying and selling credits

1. Fees

Ecology posed several questions during the July 15 workshop regarding how this rulemaking might change the details of how CFS annual fees are calculated and stated several goals to accomplish in changing participants' annual CFS fees. In principle, we support Ecology seeking to make the new fees fairer and more sophisticated in how they are calculated in comparison with the current process, resulting in less annual variability for participants.

We have the following recommendations:

A) Ecology should not charge an additional fee beyond the base fee for credit generators that use look-up tables.
B) Ecology should do more to help new credit generators for transportation electrification (TE). In the prior CFS workshop in May 2026, Ecology asked how it can help TE. We

recommend that the base fee and/or participation fee be smaller for TE participants compared to other credit generators and/or have no fee for TE participants for their first five years in CFS. These simple changes will help remove an obstacle for potential site hosts that are considering adopting charging stations for multifamily dwellings and non-residential locations such as fleets, ports, workplaces, and public charging locations.

C) Similarly, Ecology should not charge a pathway fee for new types of TE that need an approved Energy Economy Ratio ("EER") pathway under WAC 173-424-620. This change would encourage more types of electric transportation technologies to apply for an approved EER and earn credits in the CFS. <u>Currently other fuels can earn credits for their end-use applications, but many types of electric vessels, aircraft, and off-road equipment cannot because they lack an approved EER.</u> This is a major obstacle in CFS accelerating the expansion of TE into more applications, as well as a fairness issue. Companies investing in emerging electric technologies, many of whom are start-ups, do not have the expertise and funding to go through the detailed application to Ecology for an EER.

D) In addition to removing the proposed pathway fee for new types of TE that need an approved EER, we believe the best solution is for Ecology to establish conservative default EERs (e.g., 3.0) in the CFS Table 4 that can be used by these emerging electric transportation technologies. This default set of EERs would incentivize electrification in hard-to-reach electric transportation applications such as mining equipment, construction equipment, agricultural equipment, forestry equipment, aircraft, locomotives, recreational boats, tow-tractors, sweepers and other off-road equipment. In addition, because a 3.0 EER is conservative, some industries would still be motivated to submit an EER pathway application to Ecology in order to establish a higher, more favorable EER. We are also supportive of excluding from this default EER certain end-uses such as golf carts and indoor sweeper/scrubbers that are already electric. Supporting the development of clean, electric transportation technologies is essential to meeting Washington's climate goals while reducing air pollution and health harm to vulnerable communities. Setting a default EER for the above emerging TE applications also reduces Ecology's workload. However, at a minimum, Ecology should assist these emerging TE applications by eliminating pathway fees.

2. Credit monetization

A) We appreciate Ecology developing a Buy Board within the Washington Fuels Reporting System (WFRS) for buyers and sellers and support Ecology's proposal to also list within WFRS the CFS participants with net deficits in their ledgers.

B) Further, we support Ecology's idea to encourage and promote third-party credit transaction agreement language templates as a tool to help to standardize contracting language for credit transactions and reduce the administrative burden for smaller credit producers. However, we ask that the use of the template be optional, as the CFS includes different types of electric utilities with varying legal, contractual, and financial policy requirements.

C) We also support Ecology's proposal for the upcoming rulemaking to allow third-party credit clearing services to register in the CFS.

Conclusion: The joint utilities appreciate the opportunity to comment at this early scoping stage of this rulemaking and appreciate the importance of Ecology's work on this matter. We are encouraged by Ecology's willingness to harmonize with California and Oregon's Clean Fuel Standards and share Ecology's interest in rapidly expanding transportation electrification to achieve Washington's climate goals.

Please reach out to Landon Bosisio at Landon.Bosisio@seattle.gov for any questions or to discuss these comments further.