SNOHOMISH COUNTY
PUD
PUBLIC UTILITY DISTRICT NO. 1
Energizing Life in Our Communities

June 30, 2026

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

Re: Chapter 173-424 WAC, Clean Fuels Program Rule, Snohomish County PUD Comments

Dear Ms. Brown,

Thank you for the continued engagement on Clean Fuels Program (CFP) implementation and for the opportunity to provide input as part of the current rulemaking and workshop process. We appreciate the thoughtful dialogue reflected in recent workshops and materials, including the May 27 transportation electrification whiteboarding exercise.

We've been following the conversation closely, particularly the growing narrative that utilities are not spending CFP funds quickly enough. From our perspective, it's important to provide additional context on what responsible program implementation looks like on the ground and why measured pacing is not a lack of action, but rather a reflection of doing this work well.

Snohomish County PUD opted into Washington's Clean Fuels Program in 2023 and since that time has worked diligently to design and launch the **Electric Pathways for Transportation** program. This effort has required building new program infrastructure, aligning with regulatory requirements, developing customer offerings, and ensuring that investments deliver long-term value to our customers and communities.

<u>As part of that progression</u>:

- In 2025, the PUD began selling clean fuels credits in preparation for program disbursement.
- In 2026, the Electric Pathways program generated strong interest, with 20 project applications.
- On June 26th, we notified 13 customers of awards (pending funding agreements).

To date, the PUD has sold approximately 123,000 credits, generating over $5.4 million in revenue to support transportation electrification. We expect to award approximately $2.5 million in project funding in 2026 and an additional $3 million in 2027, while continuing to generate credits to sustain and expand the program into the future.

This trajectory reflects a deliberate and thoughtful approach. Establishing a new program that supports electrification (particularly for non-residential and fleet customers) requires careful planning, outreach, and coordination. As noted in workshop discussions, electrification projects often face real-world constraints, including grid capacity limitations and project readiness challenges.

These are not theoretical barriers; they directly influence how quickly funding can be deployed in a way that ensures projects are viable, cost-effective, and aligned with broader system needs.

We also want to emphasize that utilities are uniquely positioned to make investments that support long-term system reliability and equitable access. This includes not only customer incentives but also grid modernization and coordination with evolving transportation demand. As highlighted in stakeholder feedback, widespread electrification depends on sustained infrastructure investment and thoughtful sequencing of projects, not just rapid disbursement of funds.

From our perspective, there are a few important considerations as Ecology continues to refine program expectations:

- **Program maturity matters.** Utilities that have opted into CFP are still in early implementation phases. Time spent on program design and stakeholder engagement is essential to ensure funds are deployed effectively.
- **Project pipelines take time to develop.** Particularly for fleet and infrastructure projects, customers require time to plan, secure sites, address interconnection, and align financing. If the utility needs to build out additional grid capacity that takes time including supply chain readiness, permitting horizons, and grid impact assessments if the load is large enough.
- **Responsible stewardship should be prioritized.** Ratepayer-backed public utilities have an obligation to ensure funds are spent transparently, equitably, and with lasting impact, not simply spent quickly.
- **Credit market conditions affect timing.** Variability in credit pricing and broader market dynamics can influence when it is most prudent to sell credits and deploy revenue for maximum benefit.

We continue to support the State's goals around transportation electrification and agree that timely investment is critical. At the same time, we encourage a balanced approach that recognizes the complexity of implementation and avoids inadvertently prioritizing speed over effectiveness.

We remain committed to continuing to invest CFP revenues in ways that expand electrification, support customers, and deliver durable emissions reductions. We also look forward to continued collaboration with Ecology and other stakeholders to improve program design, including around capacity credits, verification, and reducing barriers to project deployment.

Thank you again for your engagement and partnership.

Sincerely,

Shelley Pattison

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