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July 22, 2026

Lauren Sanner
Rulemaking Lead
Washington Department of Ecology

Re: Request for Input on Washington Clean Fuels Program 2026 Rulemaking

Dear Ms. Sanner,

SRECTrade, Inc. (dba Xpansiv Managed Solutions) appreciates the opportunity to provide comments on the Washington State Department of Ecology's Clean Fuel Standard Rulemaking. We respectfully submit the following comments to Ecology in response to the public rulemaking session on chapter 173-424 WAC and WAC 173-455-150 Fees + Credit Monetization on July 15, 2026.

Consideration for Large Credit Generating Entities in the Participation Fee Structure

We recommend that Ecology considers revising the proposed annual participation fee structure for credit generators. While we recognize the need for Ecology to recover program administration costs, the currently proposed base fee plus per-credit charge may result in disproportionately high fees for larger credit generators. Because these entities play an important role in supporting credit availability and advancing the goals of the Clean Fuel Standard, we are concerned that an uncapped per-credit fee could unintentionally discourage participation or future investment in credit-generating activities.

We respectfully encourage Ecology to consider a tiered fee structure that maintains modest fees for smaller credit generators while ensuring that larger credit generators contribute at an appropriate but not disproportionate level. A capped tiered approach would provide greater predictability, reduce the risk of excessive fee impacts, and better align the annual participation fee with the program's policy objectives.

In addition, Ecology should evaluate whether average credit prices can be used as a factor in calculating or adjusting the credit-generator fee requirement. Incorporating credit price data, or establishing a market condition adjustment, would help ensure that fees remain affordable and proportional to the economic value of participation, particularly in years when credit prices are lower. This approach would support continued credit generation, maintain a healthy and liquid credit market, and allow Ecology to meet its funding needs without creating unintended barriers to participation.

Treatment of Fast Charging Infrastructure (FCI) in the Participation Fee Structure

We recommend that participation through the Fuel Cost Increase (FCI) mechanism not be treated as a separate pathway subject to the pathway participation fee.

The FCI program is designed to help entities recover the costs associated with developing and implementing clean fuel projects and systems. Applying a pathway fee in this context could significantly reduce the economic value of participation and may unintentionally undermine the program's intended purpose. Moreover, participants could perceive the fee as an additional burden associated with joining the program, potentially discouraging participation and limiting the growth of fast charging projects.

Treatment of Base Credits in the Participation Fee Structure

We recommend considering an approach under which entities generating base credits would be subject only to the opt-in participation fee and not an additional per-credit fee associated with those credits.

For public utility districts (PUDs), revenues associated with Clean Fuel Standard participation are subject to statutory spending requirements and are directed toward transportation electrification and other program-related investments that benefit Washington residents. Imposing additional per-credit fees on base credits may reduce the resources available for these required investments.

To improve transparency regarding this impact, we also recommend updating the PUD Spending Report requirements and reporting template to specifically identify and account for Ecology participation fees as an eligible expenditure or reporting category. Including this information would provide a more complete picture of program costs and help Ecology better understand how participation fees affect the ability of PUDs to deploy program revenues toward intended public purposes.

Look-up Table Pathway Fees

We recommend excluding the application of pathway fees to Look-up Table Pathways such as the zero-carbon intensity (CI) REC Pairing pathway.

Where a pathway has already been reviewed, approved, and incorporated into the program, REC pairing generally does not require the same level of technical review or administrative effort as the development and approval of a new pathway. Given this distinction, we suggest that applying the pathway fee to REC pairing may not accurately reflect the level of administrative resources required.

We appreciate Ecology's commitment to maintaining a strong and effective Clean Fuel Standard program and thank you very much for your time and consideration as you review these comments. We welcome the opportunity for further clarification and discussion of our comments.

Becca Teigen
Director, Clean Transportation
Xpansiv Managed Solutions

About Xpansiv Managed Solutions

Xpansiv Managed Solutions (formerly SRECTrade) is one of the largest managers of environmental commodity programs in the United States. By simplifying participation in complex regulatory programs for homeowners, businesses, and installers, we make it easy for them to benefit from environmental markets, while accelerating the deployment of clean energy and clean transportation assets. With 2 GW of renewable energy assets on our platform and over $1 billion distributed to customers and partners, Xpansiv Managed Solutions is renowned for our market expertise, broad geographic coverage, and superior customer service.

Xpansiv is the leading infrastructure provider for the energy transition markets. The company's comprehensive platform includes registries, online marketplaces, market execution services, wholesale power solutions, and market data for energy and environmental commodity markets. Xpansiv provides solutions that enable stakeholders to deliver transparent, credible, and auditable environmental claims to address the growing global demand for assurance and accountability on climate action and sustainability performance. We are trusted by over 125,000 customers and partners, from Fortune 500 companies and government agencies to project developers and homeowners.