

Mercuria Energy America, LLC (Denton Apple)

Mercuria Energy America, LLC comments in attached file.



September 28, 2026

Clean Fuels Program

Washington Department of Ecology

P.O. Box 47600

Olympia, WA 98504-7600

RE: Comments on Rulemaking for Chapter 173-424 WAC – Informal Comments on CI Reduction Schedule for the Clean Fuels Program

Dear Lauren Sanner and Clean Fuels Program Staff,

Mercuria Energy America, LLC (Mercuria) appreciates the opportunity to submit comments on the rulemaking for Chapter 173-424 WAC – Clean Fuel Standard (CFS), specifically in response to Ecology's Discussion Paper on carbon intensity (CI) reduction scenarios for 2028-2038.

Mercuria is one of the leading independent energy and commodity groups in the world, helping connect markets and advance the energy transition. Mercuria is also an active market participant in Washington's Clean Fuels Program and has been one of the largest participants this year in terms of transacted credit volumes.

Support for Scenario A in Ecology's CI Reduction Schedule

Mercuria appreciates Ecology's work in providing participants with three scenarios for the 2028-2038 CI reduction schedule. Among the three scenarios presented, Scenario A is the least gradual, reaching a 15% cumulative reduction by 2028 compared to 14.5% under Scenario B and 14.3% under Scenario C. While all three scenarios converge on the same 45% cumulative reduction by 2038, we believe the near-term pacing of reductions matters significantly for the following reasons:

1. **Stronger and faster market signal for capital investment.** Renewable fuel developers and infrastructure investors respond to the strength and timing of policy signals. In Mercuria's discussions with counterparties, uncertainty about the policy trajectory and future credit values has contributed to hesitation around new projects. A steeper CI reduction in 2028 sends a clearer, stronger signal that Washington's market for credits



will tighten sooner, which supports the business case for investment in renewable fuel production capacity, charging and fueling infrastructure, and related projects.

2. **Earlier clarity for investment decisions.** A more gradual CI reduction, as reflected in Scenarios B and C, risks signaling to the market that near-term compliance obligations will be lighter than they will ultimately need to be to achieve appropriate emissions reductions. This could dampen investment decisions being made today for projects with multi-year development timelines. Investments in new low-carbon projects require a strong, long-term price signal. Ecology has the option to provide this signal in Scenario A.
3. **Consistency with legislative intent.** RCW 70A.535.025(5)(a) permits Ecology to set annual reductions as high as 4% in any given year. Scenario A uses this flexibility in the years where it can have the greatest cumulative benefit, without exceeding the 45% reduction target established by the Legislature for 2038.

Lastly, as Ecology develops the proposed rule and supporting analysis, we also encourage it to explain how the 21% reduction shown for 2030 in all three draft scenarios would satisfy the condition in RCW 70A.535.025(6), which applies to reductions beyond 20%.

Thank you once again for the opportunity to provide commentary on this rulemaking. Mercuria looks forward to working with Ecology on implementing the new CI standards for the CFS Program.

Sincerely,

Denton Apple

Environmental Products Trading

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