

Kerri Macomber

1. Which scenario do you prefer: A, B, or C? Why?

I prefer Scenario C.

All three scenarios reach the same 45% carbon intensity reduction by 2038. The difference is how quickly the reductions happen in the earlier years. Scenario C is the most gradual of the three, with a 3.25% annual reduction from 2028 through 2031 and then 3% annually after that.

Since all three scenarios get us to the same place in 2038, I think Ecology should choose the scenario that gives Washington residents and businesses the most reasonable amount of time to adjust.

My biggest concern is cost and whether people and businesses will actually have practical alternatives available to them. Costs associated with transportation fuel do not stop at the gas pump. They can affect freight, deliveries, agricultural production, groceries, online purchases, and many other goods and services that rely on transportation.

This is especially important in rural Washington. Many rural residents do not have practical access to public transportation and have to drive significant distances for work, school, medical appointments, groceries, and other basic needs. Businesses, farms, and commercial transportation companies have the same issue. They cannot simply reduce driving because fuel becomes more expensive.

For many agricultural, commercial, and heavy-duty applications, replacing existing vehicles or equipment with electric or other low-carbon alternatives may not yet be affordable or operationally practical.

I understand that part of the purpose of the Clean Fuel Standard is to encourage development and use of lower-carbon fuels. However, I think we also need to consider whether those alternatives are becoming available and affordable fast enough for rural residents and businesses to realistically make the transition.

Just because a low-carbon vehicle or fuel is technically available does not mean it is affordable or practical for the household or business expected to use it.

For those reasons, I support Scenario C.

2. Do you prefer a more gradual schedule or a less gradual schedule? Why?

I prefer a more gradual schedule, and I support Scenario C in particular because I think it provides more time for both consumers and the market to react.

Scenario A requires the maximum 4% annual reduction in 2028 and then immediately drops to 3% per year for the remainder of the schedule. Scenario C takes a different approach by requiring 3.25% annually from 2028 through 2031 before dropping to 3%. Both reach the same 45%

reduction in 2038.

My concern with Scenario A is that it puts the greatest pressure on the market immediately, before the market has had much opportunity to respond to the new requirements. Developing additional low-carbon fuel supply, building charging and alternative-fueling infrastructure, developing better vehicle and equipment options, and replacing commercial fleets all take time.

Scenario C seems to provide a better balance. It gives households and businesses more time to adjust, but it also maintains a slightly higher annual reduction for four years. That may provide a more consistent market signal for continued investment and innovation instead of imposing the largest reduction immediately and then dropping to the minimum annual requirement.

I would like Ecology to consider this in its modeling. Does the larger one-year reduction in Scenario A actually result in more investment and development of low-carbon alternatives, or does a sustained 3.25% reduction over four years provide a more predictable incentive for the market to respond?

To me, that is an important part of deciding which schedule is best. The purpose should not simply be to create enough economic pressure to reduce the use of conventional fuels. The program also needs to give the market enough time and incentive to develop the affordable, practical alternatives that residents and businesses will need in order to make that transition.

This is especially important for rural residents, agricultural operations, trucking companies, and other commercial fleets. These users cannot necessarily change their transportation needs, and replacing vehicles or equipment can require significant capital investment. A more gradual schedule gives technology, infrastructure, fuel supply, and normal equipment replacement cycles more time to catch up with the standard.

3. Are there alternative scenarios you would like Ecology to consider?

I don't have a substantially different numerical scenario to recommend.

The Legislature has limited Ecology to annual reductions between 3% and 4%, and the current requirement is to reach a 45% cumulative reduction by 2038. Within those limits, Scenario C appears to provide the most gradual transition of the three options presented.

Instead of another numerical scenario, I would like Ecology to consider whether there should be additional measures to track the real-world impacts of the program as the standard becomes more stringent.

For example:

- * What is the actual cost impact on gasoline and diesel as the carbon intensity requirements increase?
- * Are low-carbon fuels actually available throughout the state, including rural areas?
- * Is charging and alternative-fueling infrastructure keeping pace outside of the larger population centers?
- * Are viable and affordable alternatives available for agriculture, freight, commercial fleets, and

medium- and heavy-duty vehicles?

- * Are the economic benefits created by Clean Fuel Standard credits actually helping make lower-carbon vehicles and fuels more affordable and accessible to the people and businesses being asked to transition?

- * How are impacts to rural and lower-income communities being measured?

I am particularly interested in understanding where the economic value generated by the Clean Fuel Standard credits goes. If one of the goals of the program is to encourage people and businesses to move to lower-carbon transportation, I think Ecology should clearly show how the credit system is helping make those alternatives more available and affordable.

If conventional fuels become more expensive as an incentive to transition, but the lower-carbon alternative is still unaffordable or unavailable to the person or business being asked to make that transition, we have not solved the underlying problem.

I also think these issues need to be addressed as part of Ecology's Environmental Justice Assessment.

There are clearly environmental and public-health benefits associated with reducing transportation emissions. At the same time, I think environmental justice also requires looking at who bears the cost of getting there and whether those people actually have reasonable alternatives available to them.

The options available to someone who lives in an urban area with public transportation, nearby charging infrastructure, and the financial ability to purchase a newer vehicle can be very different from the options available to a rural household that has to drive considerable distances and cannot afford to replace a reliable vehicle.

The same applies to businesses. A farm, trucking company, food processor, or other rural business cannot necessarily replace existing trucks or equipment simply because a lower-carbon technology exists. The replacement has to be affordable, commercially available, supported by adequate infrastructure, and capable of doing the same job.

For that reason, I would like Ecology's Environmental Justice Assessment and economic analysis to specifically look at:

- * Who is expected to bear the costs of this transition, what alternatives are realistically available to them, and whether those alternatives are actually affordable and accessible throughout Washington.

- * If the analysis identifies disproportionate impacts on rural communities, lower-income households, agricultural operations, or other businesses that have fewer alternatives, I would also like to understand what Ecology intends to do to address those impacts.

I recognize that HB 1409 significantly limits Ecology's options and that many of these decisions have already been made by the Legislature. However, Ecology still has some discretion in how the requirements are implemented. I encourage the Department to use that discretion to minimize unnecessary near-term impacts on households and businesses while giving the market time to develop the lower-carbon fuels, vehicles, and infrastructure needed to make this transition

successful. Where Ecology does not have the authority to address an identified impact, I think it is still important to clearly identify that impact so it can be considered in future policy decisions.