



Ms. Abbey Brown
Clean Fuel Standard Technical Lead
P.O. BOX 47600
Olympia, WA 98504-7600

Re: Comments on Clean Fuel Standard Rulemaking

Dear Ms. Brown:

I write on behalf of Clean Energy to comment on the Washington Clean Fuel Standard (CFS) rulemaking “Discussion Paper: Carbon Intensity Targets 2028 – 2038.”

Clean Energy was a strong supporter of the Washington CFS bills and has been active in many other states pursuing adoption of similar programs to achieve climate and clean air goals. We are North America’s largest provider of renewable natural gas (RNG) for the transportation sector. We produce RNG at landfills and dairy farms nationwide and deliver it through a network of more than 600 fueling stations serving over 50,000 trucks, buses, and other heavy-duty vehicles daily.

Clean Energy has been a clean air partner to environmental regulatory agencies at the federal, state and local levels since its founding in 1997, and is an original supporter of California’s Low Carbon Fuel Standard (LCFS), which is one of the most cost-effective and flexible transportation decarbonization policies in the world.

As outlined in the Discussion Paper, we urge the Washington Department of Ecology (Ecology) to maximize the carbon intensity (CI) curve reduction as statutory constraints allow. The harm from climate change is only accelerating, and the health of the CFS program is reliant upon a high credit price floor that effectively incentivizes investment and displacement of fossil fuels. Because all scenarios achieve the same cumulative reductions after 2030, we support Scenario A because it delivers the greatest carbon intensity reductions between 2028 and 2030. We urge Ecology to adopt the most ambitious schedule possible.

A more ambitious CI curve would strengthen program integrity and help Washington avoid the credit oversupply challenges experienced under California’s LCFS, driven largely by the rapid growth of renewable diesel. This had the effect of driving up the credit bank and keeping LCFS prices depressed for multiple years. In fact, we saw the same occurrence in Oregon’s program with a steady increase in renewable diesel going there, causing credit prices to fall as more credits flowed into the Oregon market. We must do everything possible to incentivize all alternative fuels that generate credits and not risk the allocation of capital or stall investment.

Maritime Must Not Be Overlooked

The RNG industry, including our company, is considering non-transportation end-uses in addition to on-road heavy-duty truck and bus applications. RNG production has been successful and in

high volumes throughout the country, and thus is preventing large volumes of fugitive methane emissions from being released into the atmosphere. These end-uses under consideration include the use of RNG in maritime applications.

The Washington CFS has a built-in Alternative Marine Fuels pathway that can be used for credit generation if the fuel meets the program's standards. This is effectively an opt-in mechanism for alternative marine fuels, but it is not yet a universal opt-in for all maritime operators. With Hawaii's recent nod to maritime operations under its newly adopted CFS, we believe this could be a promising market. We encourage Ecology to provide greater clarity on program participation, the opt-in process, credit generation, and other key implementation details. We also urge Ecology to treat maritime fuels consistently with aviation to better incentivize RNG use in the maritime sector and further reduce reliance on fossil fuels. We will reach out to Ecology soon to pursue a meeting to further discuss this opportunity.

Conclusion

The success of the CFS will be due to ambitious state goals and targets, backed by science-based, fuel neutral policies, along with a broad portfolio of clean fuel stakeholders working together to decarbonize Washington's transportation sector. We therefore urge Ecology to adopt the most ambitious schedule possible and to further develop the program's maritime options and possibly coordinate with other Western states as they begin to develop their own rules.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Kenny", with a stylized, flowing script.

Ryan Kenny
Policy Director – Western U.S.
Clean Energy