

WASHINGTON STATE DEPARTMENT OF COMMERCE

# State Policies Supporting RNG for Transportation

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Department of Commerce  
Innovation is in our nature.

# Four Forms of Policy Support

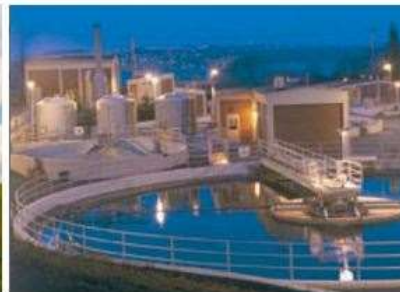
- **Tax Incentives** (B&O, sales/use, property/leasehold)
- **Guaranteed Markets** (procurement, content)
- **Financial Assistance** (loans, grants, credits, tariffs)
- **Technical Assistance** (permitting, research)



Dairy Digester  
(Farm Power Rexville)



Landfill Methane Capture  
(King County Solid Waste Division)



Wastewater Treatment Plant  
(City of Tacoma)



# Tax Incentives

## Business & Occupation

- *Option: Preferential rate for production and distribution*

## Sales & Use

- Digester construction and operation (exempt, 50%+ manure)
- Power from digesters and LFG (75% exempt, expires 1/1/20)
- CNG passenger vehicles and light trucks (expires 7/1/15)
- *Options: Remove manure requirement, include RNG production, extend vehicle exemption, exempt RNG distribution equipment and services, exempt feedstocks*

## Property & Leasehold

- *Option: Restore digester exemption*



# Guaranteed Markets

## Procurement Requirements

- Ultra-low carbon vehicles
- Collaborative public sector contracting
- *Option: Preferential purchase of RNG for CNG vehicles*

## Content Standards

- *Options: RNG portfolio standard, LCFS*

## California LCFS

- LFG and dairy biogas pathways (CI 11.3-28.5)
- High-solids (40% wood, 60% green) in process (CI -15.3!)
- Average gasoline (CI 99.2), ULSD (CI 98)



# Washington LCFS

## Authority vs Capacity

- Executive authority under state Clean Air Act
- Capacity to administer subject to appropriation
- *Option: Explore regional market for West Coast*

## Potential Production

- Landfills: 120 million DGE
- Wastewater Treatment: 12 million DGE
- Dairies: 8 million DGE
- Total: 140 million DGE (~14% of diesel consumption)



# Financial Assistance

## Biennial Capital Budget

- Clean Energy Fund (\$15 million loans)
- Energy Freedom Program (\$4 million loans)
- R&D Match Funds (\$6 million)

## Other Sources

- Federal: USDA, USDOE, NMTC, EFB
- State: CERB grants, QECCB, IRB
- Carbon credits
- *Options: Extend cost recovery program to RNG, pipelines cover interconnection and easement costs, feed-in tariff, preferential tax-exempt bond allocation*



# Technical Assistance

## Expedited Permitting

- Solid waste exemption
- Coordinated permitting process
- *Option: Explore further streamlining of production permits, collaborate in adoption of quality standards*

## Research

- Scrubbing technologies
- Nutrient recovery and other coproducts



# What to Watch For...

## California PUC Rulemaking

- Health standards (end of year)
- Pipeline access and tariff requirements (early 2014)
- Promotion of instate production and distribution
- [www.cpuc.ca.gov/puc/](http://www.cpuc.ca.gov/puc/)

## California Energy Commission Hearing

- Impediments and solutions
- May 31 workshop
- [www.energy.ca.gov/2013\\_energypolicy/documents/](http://www.energy.ca.gov/2013_energypolicy/documents/)





Stay in Touch...

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