CLEAN FUEL STANDARD

SUMMARY OF PUBLIC COMMENTS RECEIVED

December 4, 2018
Clean Fuel Standard:
Summary of Public Comments Received

1 INTRODUCTION

The following summary includes excerpts from 21 comments received at the public forum and 17 emails and written letters (38 total commenters). In addition, a local non-profit spear-headed a comment input campaign, which generated 492 form letter emails. General themes of the comments focused on support or opposition to a Clean Fuel Standard, examples of how the low carbon policy is working or not in California, and recommendations for consideration.

The categories of comments in support of a Clean Fuel Standard included:

- Public Health and Equity
- Carbon Emission Reduction
- Local Economic Growth, and
- Feasibility, Flexibility, and Innovation

Categories of comments opposing a Clean Fuel Standard included:

- Fuel Price Impacts
- Lack of Authority
- Competitive Disadvantage, and
- Ineffective Policy

Comments with recommendations focused on:

- Effective Implementation
- Inclusion of Aviation Fuels
- Consideration of Other Fuels, and
- Health and Economic Analysis

The pie chart below shows the frequency of different categories of comments that were received from individual commenters, not including the 492 form letters. The chart also shows the general support or opposition of the comment type by color (green in support, blue in opposition, and purple for neutral recommendations). The number of comments in the pie chart is not representative of the number of total commenters. Commenters generally contributed multiple comments and each comment was tallied in the totals accordingly for the chart below.
2 COMMENTS IN SUPPORT OF A CLEAN FUEL STANDARD

2.1 PUBLIC HEALTH AND EQUITY
Eleven individual commenters and 492 comments received via a form letter included themes of public health and equity in their comments of support. A sampling of excerpts is included below.

▶ We support your consideration of a CFS. Cleaner fuels are vital to achieving our vision of healthy people in healthy communities, especially for those near busy roadways. We need to continue to improve air quality and reduce GHG emissions for the health of our elders, children, and future generations.

   — Tacoma-Pierce County Health Department
The outcome of the rule should include ways to enable pollution reduction in the hardest hit communities.
- *Form letter submitted by 492 individuals*

Air pollution disproportionally affects low income and people of color along major roadways.
- *Washington Physicians for Social Responsibility*

Renewable natural gas (RNG) reduces smog-forming NOX emissions by up to 99%. Avoids millions of dollars in public health impacts.
- *Clean Energy Fuels*

The use of biodiesel instead of conventional diesel results in a substantial reduction of particulate matter and Sulphur emissions.
- *Renewable Energy Group*

We are supportive of a CFS. We recognize that Climate Change is a public health issue. CFS is a tested effective policy that provides health benefits and incentivizes keeping our energy dollars local. Policy is working in CA, OR, and BC.
- *Climate Solutions*

I live on Capitol Hill in affordable housing directly above I-5. I am concerned about health impacts of freeway air pollution on myself and my neighbors. I urge the board to pursue regional CFS policy.
- *Irene Svete*

Climate change falls on communities of color and low income communities first and worst and taking action to accelerate a transition to a sustainable and less fossil-fuel dependent society is critical for reducing serious global warming risks.
- *One America*

We strongly encourage PSCAA to adopt a CFS. There is consistent evidence of adverse health impacts on birds, including respiratory distress, immune-suppression, species diversity, species richness, etc. CFS can serve to protect public health and public welfare. Cherished and iconic birds are seriously at risk because of pollutants from fossil fuels. 189 species of birds will experience negative impacts from climate change. Adopting a CFS presents a unique opportunity to save two birds with one policy. We can reduce pollution and tackle climate change.
- *Audubon Washington*

### 2.2 Carbon Emission Reduction

Seven individual commenters included themes of carbon emission reduction in their comments of support. A sampling of excerpts is included below.

- RNG reduces carbon emissions by up to 300%.
  - *Clean Energy Fuels*
The use of biodiesel instead of conventional diesel results in a substantial reduction of unburned hydrocarbons.

– Renewable Energy Group

We have seen large sections of our state and federal forests burn, increasing the amount of carbon in the air. While state or federal leadership is essential to address carbon emissions, the challenge is too urgent to wait, so it makes sense for the Puget Sound region to act. We urge PSCAA to move forward with plans to implement a CFS.

– Union of Concerned Scientists

We represent over 900 physicians in the state and we are working to address climate change. We appreciate this policy to reduce air pollution and climate change.

– Washington Physicians for Social Responsibility

Regulation is the will of the people and protecting the welfare of the people. We should not protect industries that do not want to bend to the will or welfare of the people. Climate change is a gigantic threat to that welfare and it requires a gigantic response. Ignore comments of oil industry to avoid being regulated.

– Roel Hammerschlag

Transportation is, by far, the largest source of GHG emissions in Puget Sound. We in Washington State have done little to mitigate our emissions, while other west coast states and British Columbia have already created Clean Fuel Standards. Following their lead is increasingly urgent given the recent IPCC report finding that we only a short time to turn things around to avoid major crises.

– 350 Seattle Transportation Team

2.3 **Local Economic Growth**

Six individual commenters included themes of local economic growth in their comments of support. A sampling of excerpts is included below.

Our company is a prime example of success from the LCFS and we strongly support the PSCAA in adopting a regional LCFS. We are North America’s largest provider of natural gas and renewable natural gas (RNG). RNG is proven to be a cost-saving alternative fuel to diesel and gasoline. RNG strengthens our economy with lower fuel costs and increases energy security. A CFS supports a robust market for alternative fuels, provides long-term investment certainty, and stimulates job creation. California’s LCFS has generated $2.8 billion in credit value, spurring investment in the clean fuels market. There are more than 300 companies in the clean transportation technology industry employ more than 20,000 workers in California.

– Clean Energy Fuels

REG is North America’s largest biodiesel producer and a leading producer of renewable diesel and we strongly support the PSCAA’s efforts to adopt a CFS. Our Grays Harbor facility employs 37 people and supports another 800 indirect and induced jobs in the community. A CFS in Puget Sound would signal to the renewable fuel industry that Washington is a place to invest – REG is intending to expand operations in Washington. Clean fuel program incentivizes
companies like REG to source feedstock closer to the plant – the CFS has the potential to increase Washington grown canola.

— Renewable Energy Group

► We are very supportive of this proposed policy. CA and OR policies are successful. The dire results predicted have not come to pass. The Grays Harbor community is thrilled with the economic benefits from the REG facility. There are opportunities for jobs and economic growth. For feedstocks: canola can be grown in Washington, dairy manure can be a resource, and wood waste is a resource for aviation fuel. This is not a crude oil producing state – those dollars sent out of state never come back. When money is kept in the state it creates economic opportunities.

— Low Carbon Fuels Coalition

► General Biodiesel and Sequential both collect waste cooking oil and grease and produce biodiesel in Seattle and Oregon, which is a low carbon intensity fuel. Sequential operates 100 trucks running B50. It is a market based approach that rewards companies that develop solutions that protect public health and the environment. We are very supportive of a CFS.

— National Biodiesel Board

► Greater reliance on clean fuels can benefit local economy. Our clean fuels are going to CA and OR. We are well positioned for EVs because we have clean electricity. Oil industry claims it is affecting jobs negatively, but actually the opposite – 29 potential projects coming on-line in California.

— Climate Solutions

2.4 Feasibility, Flexibility, and Innovation

Six individual commenters included themes of feasibility, flexibility, and innovation in their comments of support. A sampling of excerpts is included below.

► The Union of Concerned Scientists is strongly supportive of a CFS. A CFS is technology neutral and incentivizes all fuel producers to cut emissions wherever they can. Clean fuel policies in California and Oregon have proven flexible and adaptable as fuel markets and vehicle technologies have changed. UCS has provided fact sheets and reports to inform decisions on policy design questions and is currently working on an analysis of which fuels could be used to meet a Washington or regional CFS. Preliminary results suggest that electric vehicles could provide half of the compliance for a CFS, and a CFS would accelerate deployment of EVs. EVs make sense in Washington with a low carbon electrical grid. EV carbon emissions is equivalent to a gasoline fueled car getting 144 miles per gallon, and it costs $1,000 less a year to fuel.

— Union of Concerned Scientists

► We own a recycling facility in South Seattle that processes over 80 tons of material each year. We support for CFS because it aligns with our core business strategy to recover resources. We have seen this policy successfully implemented on OR and CA. We use renewable diesel as a primary fuel in San Francisco because of the CFS. In 2019, we are shifting our fleet in Seattle to renewable diesel and electric.

— Recology Cleanscapes
A CFS fosters technological innovation. CFS can provide compliance flexibility to producers of high carbon fuels to either invest in low carbon alternative fuels or purchase credits for low carbon fuel producers. California has avoided 30 million metric tons of carbon emissions. The first quarter of 2018 marked the first time more than 10% of California's transportation energy came from non-petroleum. LCFS has increased alternative fuel use by 74%.

— Clean Energy Fuels

Washington can become a leader in clean transportation if it adopts a CFS. We have over 30 fast chargers in Washington and are installing more. Over half of our chargers are in California because of the LCFS.

— EVGo

It is not a food vs. fuel question. Soybeans are 80% protein with a 20% byproduct that is available for biodiesel.

— National Biodiesel Board

Renewable natural gas is a promising alternative fuel. Much lower emission reduction. We are in support of CFS. It supports public health and creates clean jobs, promotes resiliency and resourcefulness at a local community level and supports local agriculture.

— Impact Bioenergy

3 Comments Opposing a Clean Fuel Standard

3.1 Fuel Price Impacts

Five individual commenters included themes of fuel price impacts in their comments of opposition. A sampling of excerpts is included below.

► We have the lowest carbon intensity of the five refineries in Washington. We supported the I-732 carbon tax, but we do not support a CFS. Washington has 2nd highest gas tax already. The smaller market size would be more susceptible to volatility in prices.

— US Oil and Refining

► Credit prices are volatile in CA and OR. The LCFS in California has increased gasoline cost 12.4 cents per gallon, with only 5% reduction in carbon intensity.

— Western States Petroleum Association

► The trucking industry is fuel price sensitive. Even a 1-2 cent fluctuation in fuel price causes disruption. Trucks get an average of 6 1/2 miles per gallon. We purchase hundreds of thousands of gallons of fuel each year. Due to lower energy output of reduced carbon fuel, it takes more fuel to do the same job. The trucking industry would be burning more fuel at a higher price per gallon.

— Washington Trucking Association

► Fuel prices are regressive and felt most by those who have the fewest options for avoiding higher costs: low to moderate income families and small businesses.

— Price of Gasoline
Increasing. California program is adding 12.4 - 12.7 cents to the price of a gallon of gasoline and 8.9 - 9.1 cents to the cost of diesel fuel. Fuel prices could continue to increase even further as reduction goals become more aggressive and credit prices continue to escalate.

— Association of Washington Businesses

3.2 Competitive Disadvantage
Two individual commenters included themes of competitive disadvantage in their comments of opposition. A sampling of excerpts is included below.

► A CFS should only be undertaken federally so as not to cause competitive disadvantages with interstate commerce.
   — Association of Washington Businesses

► Out of state competitors creates unfair competition, because they can fuel out of state. Regional approach exacerbates this. Need a level playing field. The ports initiative for cleaner trucks is not being implemented fairly and is not a level playing field. Over 800 businesses have gone out of business due to meeting this policy.
   — Washington Trucking Association

3.3 Lack of Authority
Four individual commenters included themes of lack of authority in their comments of opposition. A sampling of excerpts is included below.

► Neither state law nor Washington Department of Ecology regulations appear to provide PSCAA the authority to unilaterally implement a regional Clean Fuel Standard.
   — Association of Washington Businesses

► The source of PSCAA’s powers and duties is statutory. PSCAA has only the authority to enact rules and regulations that the statutes allow. It is a bedrock principle that PSCAA can act only to implement an existing state Clean Air Act regulation or a rule already adopted by Ecology. We understand that PSCAA believes the 2015 Connecting Washington Act gives it authority to enact a local CFS, however, the Act makes it clear that it is not establishing any legal authority to enact, adopt, order, or in any way implement a CFS.
   — Western States Petroleum Association

► We object to PSCAA’s consideration of a CFS. PSCAA lacks the legal authority to impose a regional CFS (Detailed letter on this topic is available for review).
   — Building Industry Association of Washington

► Such a rule would be beyond the statutory authority of PSCAA, impractical to enforce, and costly. We ask that you consider comments made by the Building Industry Association of Washington on this matter.
   — Master Builders Association of Pierce County
3.4 **INEFFECTIVE POLICY**

Three individual commenters included themes of ineffective policy in their comments of opposition. A sampling of excerpts is included below.

- Vast, intractable infrastructure problems have made it difficult for some producers to comply in California.
  - *Western States Petroleum Association*

- Any CFS imposed in a four county area would be ineffective. Many consumers of fuel often travel across state and county lines, making it difficult to impose such a standard. There is no evidence in California that it has been effective in reducing alleged pollution from carbon.
  - *Building Industry Association of Washington*

- A CFS will not lead to meaningful reductions in emissions. In 2014, Washington’s Climate Legislative Executive Work Group (CLEW) concluded that a CFS is among the costliest and least efficient strategies for meeting emission reduction goals. Not meeting carbon intensity reduction goals. The California program is riddled with litigation and delays – carbon intensity reduction requirement has been frozen several times at one percent. Reductions in carbon intensity were supposed to be 10 percent by 2020; however the gasoline reduction requirement has only reached the halfway point at 5 percent, while diesel is frozen at 3.5 percent. Price of credits increasing. California LCFS not generating enough credits within a given year to offset the deficit. Imbalance has caused prices for credits to spike.
  - *Association of Washington Businesses*

4 **COMMENTS FOR RECOMMENDATIONS**

4.1 **HEALTH AND ECONOMIC ANALYSIS**

Three individual commenters included themes recommending health and economic analysis in their comments. A sampling of excerpts is included below.

- We recommend broad analyses, for the greatest public health benefit, include health and economic benefits and costs to individuals, communities and economic sectors; energy facility construction and other related carbon contributions in life-cycle carbon intensity analysis; and a full range of impacts and uncertainties in fuel analyses, including concerns that promoting some biofuels could result in increased food prices and food insecurity.
  - *Tacoma-Pierce County Health Department*

4.2 **INCLUDE AVIATION FUEL**

Four individual commenters included themes recommending inclusion of aviation fuel in their comments. A sampling of excerpts is included below.

- A Clean Fuel Standard is our highest legislative priority. We support aggressive goals and renewable jet fuel. Sustainable aviation biofuels work group identified need for state level
policies for CFS. Renewable fuel manufacturers are selling in California that we need here. We are supportive of PSCAA’s efforts.

— Port of Seattle Commission

► Sourcing sustainable aviation fuel can be a challenge in Washington. We encourage you to include biodiesel aviation fuel as eligible for credits.

— Renewable Energy Group

► The aviation sector is an important economic driver and a significant source of emissions. The legislatively sanctioned aviation biofuels working group concluded that if our region wants to take a leadership role in developing sustainable, low-carbon alternatives to jet fuel, we need a strong policy that bolsters demand for these options. Reports conclude that a CFS with an opt-in provision for aviation fuels is the most effective way to build markets for cleaner fuels.

— Ross Macfarlane

► It’s clear to industry leaders that more efficient aircraft and low carbon alternative jet fuels are essential to meet growing customer demand in an increasingly carbon constrained world. Jet fuel is feasible but because our state does not have a CFS, commercial deployment of this technology moved to California because the market is there.

— Union of Concerned Scientists

4.3 CONSIDER OTHER FUEL PATHWAYS

Three individual commenters included themes recommending inclusion of other fuel pathways in their comments. A sampling of excerpts is included below.

► Consider Electrofuels and Hydrogen Fuel Cell technology. Conventional biofuels are not scalable to carry a large demand. It is important that a rule does not discriminate against hydrogen.

— Rob Briggs

► Consider hydrogen fuel cell vehicles for credits. There are over 5,000 hydrogen fuel cell vehicles currently in California. Many auto manufacturers are providing models – Honda, Toyota, and Hyundai. This could be a Washington homegrown fuel and be utilized in ferries.

— Ballard Power

► Over 47,000 homes in your jurisdiction use oil furnaces. We encourage you to include biodiesel for home heating as eligible for credits.

— Renewable Energy Group

4.4 EFFECTIVE IMPLEMENTATION

Eight individual commenters, plus 492 form letters, included themes recommending methods of effective implementation in their comments. A sampling of excerpts is included below.

► The CFS is a unique opportunity to promote a low carbon option. We recommend ensuring the process is open, transparent, and accessible to the public. This policy will help break the monopoly of oil industry – they will provide scare tactics. Stay on top of the process and
provide clear information. Include mechanisms for pollution reduction and tracking progress. Incentivize clean fuel jobs. Standard should be applied to all types of transportation.

- Washington Environmental Coalition
- Form letter submitted by 492 individuals

A clean fuel program needs to ensure that renewable fuel credits are only assigned to the renewable content – we strongly encourage PSCAA to require C14 testing for co-processed fuels as the only way to measure and verify the renewable content.

- Renewable Energy Group

Credits generated by utilities should be able to be reinvested in all kinds of sustainable transportation: biking and walking infrastructure, as well as transit infrastructure and service. Allocate credits for trips avoided. Use revenues generated to pay for transportation demand management programs or incentives to reduce VMT. Allocate credits for buses using cleaner fuels, not just electric buses.

- Transportation Choices
- One America

EVs should get higher scores. CFS should include direct and indirect emissions, and should include methane. Need to consider potential downsides of biofuels.

- 350 Seattle

I have concerns about attempting to create a clean fuel standard within a region as small as one with county boundaries.

- Raul Hammerschlag

Ensure that major fleet operators like refuse trucks, delivery companies and especially transit agencies are able to finance transitions to cleaner fleets. Many of these vehicle classes operate in residential areas that have direct impacts on community health. In particular transit agencies should be a prime mover and beneficiary of a Clean Fuel Standard. Require utilities and other aggregators of electrification credits to invest a portion of proceeds from clean fuel transition in air quality hotspots and non-attainment areas. This will ensure that the benefits of clean fuels are widespread and that the program achieves multiple benefits—not just climate mitigation, but air quality and health improvements as well. In designing, implementing and making investment determinations, ensure the active participation of impacted communities, especially communities of color and low income communities, through stakeholder panels and proactive outreach.

- One America

For questions regarding this document, please contact:

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