



Clean Fuels Standard AF-CCS Advisory Panel Meeting

June 26, 2024

Start Recording

We will begin recording at this time.





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Abbey Brown – Technical Lead



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Rebecca Sears – Project Manager & Partnership Specialist



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Ecology staff

Agenda

- Opening & round robin
- Ecology update
- *Presentation* – Review of conversation to date on panel input
- *Discussion* – Panel preferences for providing input to Ecology
- Next steps & wrap-up





Ecology Update

Abbey Brown

Review of conversation to date on panel input





Background

The intent of the Clean Fuel Standard

- RCW 70A.535.005(3)
- ...it is the intent of the legislature to support the deployment of clean transportation fuel technologies through a carefully designed program that reduces the carbon intensity of fuel used in Washington, in order to:
 - Reduce levels of conventional air pollutants from diesel and gasoline that are harmful to public health
 - Reduce greenhouse gas emissions associated with transportation fuels
 - Create jobs and spur economic development based on innovative clean fuel technologies

Advisory panel in statute

- RCW 70A.535.060
- Ecology must “establish and periodically consult a stakeholder advisory panel, including representatives of forestland and agricultural landowners, for purposes of soliciting input on **how to best incentivize and allot credits** for the sequestration of greenhouse gases through activities on agricultural and forestlands.”

Current focus of panel charter

1. How best to account for, incentivize, and award Clean Fuel Standard credits for carbon sequestration on agricultural and forest lands, with a focus on the production, distribution, and sale of transportation fuels.

- A. Identifying agricultural and forest land practices that have measurable greenhouse gas (GHG) benefits.
- B. Quantifying the carbon sequestration impact of current agricultural and forestry production and conservation practices and estimating the potential due to future practices.
- C. Identifying and developing standards for optimizing/maximizing carbon sequestration for practices on agricultural and forestlands.
- D. Developing mechanisms for quantifying and allocating Clean Fuel Standard credits to incentivize carbon sequestration on agricultural and forestlands.

2. Ecology's biennial review of innovative technologies and pathways that reduce GHG emissions and increase credit generation opportunities on agricultural and forestlands, including advising on rules or guidance needed to maintain stable credit markets (in support of E3SHB 1091, Chapter 317, Section 7(3)).



Panel feedback on success

What panel needs for success

- Scope of input
 - Understand Ecology priorities, sideboards
 - Understand scale of things the panel does
 - Align panel input with Ecology's ability to influence
- Process
 - Define deliverables and timelines
 - Category schema/taxonomy
 - How can panel best provide input
- Feedback on areas for panel input
 - Wrap up biochar
 - Get into agriculture
 - Impacts of incentivizing clean fuels production
 - Tradeoffs of various practices

From May 2023



Review of Ecology scope guidance

Ecology possible areas of influence

- Panel input is directed to Ecology's Clean Fuel Standard(CFS) program
- CFS options:
 - CFS rulemaking recommendations
 - CFS legislation recommendations
 - Annual report to legislature, biennial review of innovative technologies
 - Collaborating formally and/or informally with public agencies
 - Communicating formally and/or informally with public agencies

Parameters for incentivizing and allotting CFS credits

Transportation
fuel produced in,
or imported into,
Washington state

CFS incentivizes
through CFS
credits

Credits are
generated by the
producer or
importer

CFS credits are
awarded to GHG
emissions
reductions

GHG emissions
reductions must
be quantifiable
and verifiable

Highly desired -
Support biofuel
production in WA

Highly desired -
Support
feedstock
production in WA

Third party
verification

Healthy CFS
credit market

Examples of possible incentive mechanisms

Category 1: Making the CI of a transportation fuel feedstock lower with recognized ag/forestry CCS practice



Category 2: Consistent/increasing/recurring storage that is counted against transportation fuel CI



Quantifiable and verifiable reductions in GHG emissions

Providing panel input to Ecology



Opportunities

- Statutory opportunity and obligation for Ecology to consult regularly with advisory panel
- Shape policy and implementation in Washington state
- Longer time horizon of panel
- Flexibility on output and process of panel
- Creating roadmap for other states

Challenges

- Volunteer panel members, limited Ecology staff
- Statutory scope of input has the potential to be broad
- Complexity of CCS/CFS/ag & forestry scope
- Time sensitivity of climate impacts – sooner is better than later
- Comparatively narrow scope of Ecology influence
- Few jurisdictions to learn from
- Unsettled science, policy, implementation
- Variable areas of member expertise

Characteristics of a successful approach

- Sustainable for staff and panel members over long term (level of effort over time)
- Ecology able to elicit input on key policy and implementation assumptions and questions
- Option for panel members to put forward recommendations
- The input of all panel members documented in a way that allows various views
- Ecology support for panel recommendation development, drafting, finalization, publication
- Quality output

Discussion option 1

Discussion option 2

Questions to start panel discussion

1. How do the options compare on sustainability of effort?
2. Is there a meaningful distinction between *input* and *recommendations*, and what is panel preference for either?
3. How do members define and view formal vs. informal input or recommendations?
4. How does quality of input intersect with the options offered?
5. What preferences do members have regarding input process approach, considering today's discussion?



Next steps & wrap up

Ecology

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**Thank you for
attending!**
