



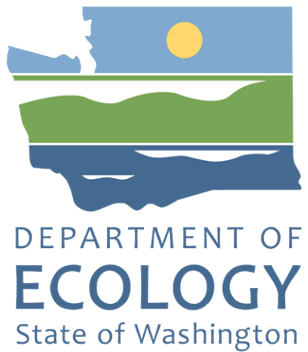
Clean Fuels Standard AF-CCS Advisory Panel Meeting

November 13, 2024

Start Recording

We will begin recording at this time.





Clean Fuels Standard AF-CCS Advisory Panel Meeting

November 13, 2024



Abbey Brown – Technical Lead



Debebe Dererie – Fuel Pathway Specialist



Rebecca Sears – Greenhouse Gas Inventory &
Transportation Section Manager

**Ecology
staff**

Agenda

- Opening & round robin
- Ecology update
- Overview of panel memo, purpose & objectives
- *Discussion* – panel memo & next steps
- Next steps & wrap-up





Ecology Update

Abbey Brown

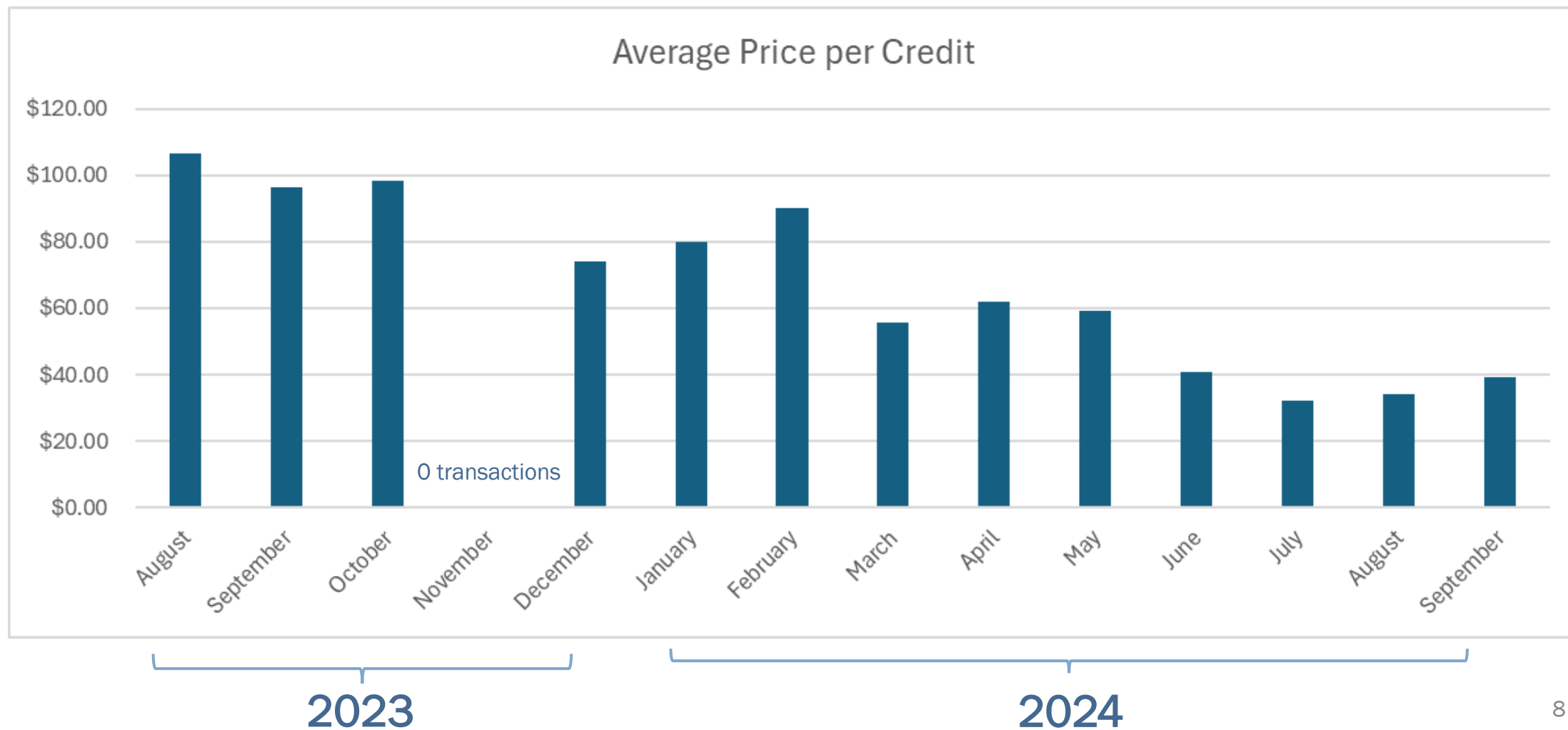
Clean Fuel Standard progress

- Nearly **two years** of implementation
 - **330+** registered parties
 - **2023 Sustainable Aviation Fuel (SAF)** tax credit
 - Ongoing **rulemaking**, expected adoption Summer 2025
- Ecology began accepting **Tier 2 Fuel Pathway Applications** on Oct. 1, 2024



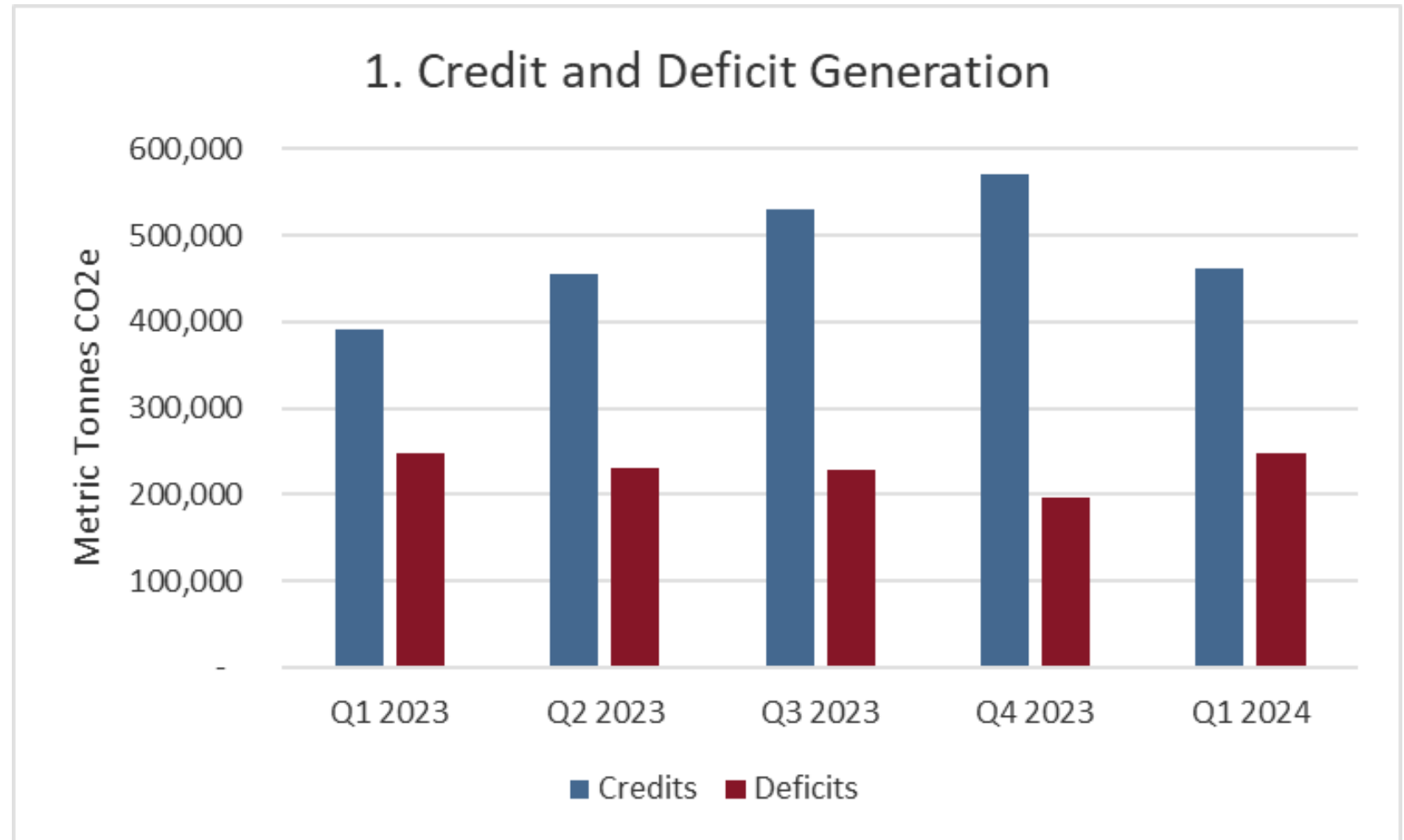
Average credit price

Participants negotiate the price between themselves based on market demand.



Quarterly data

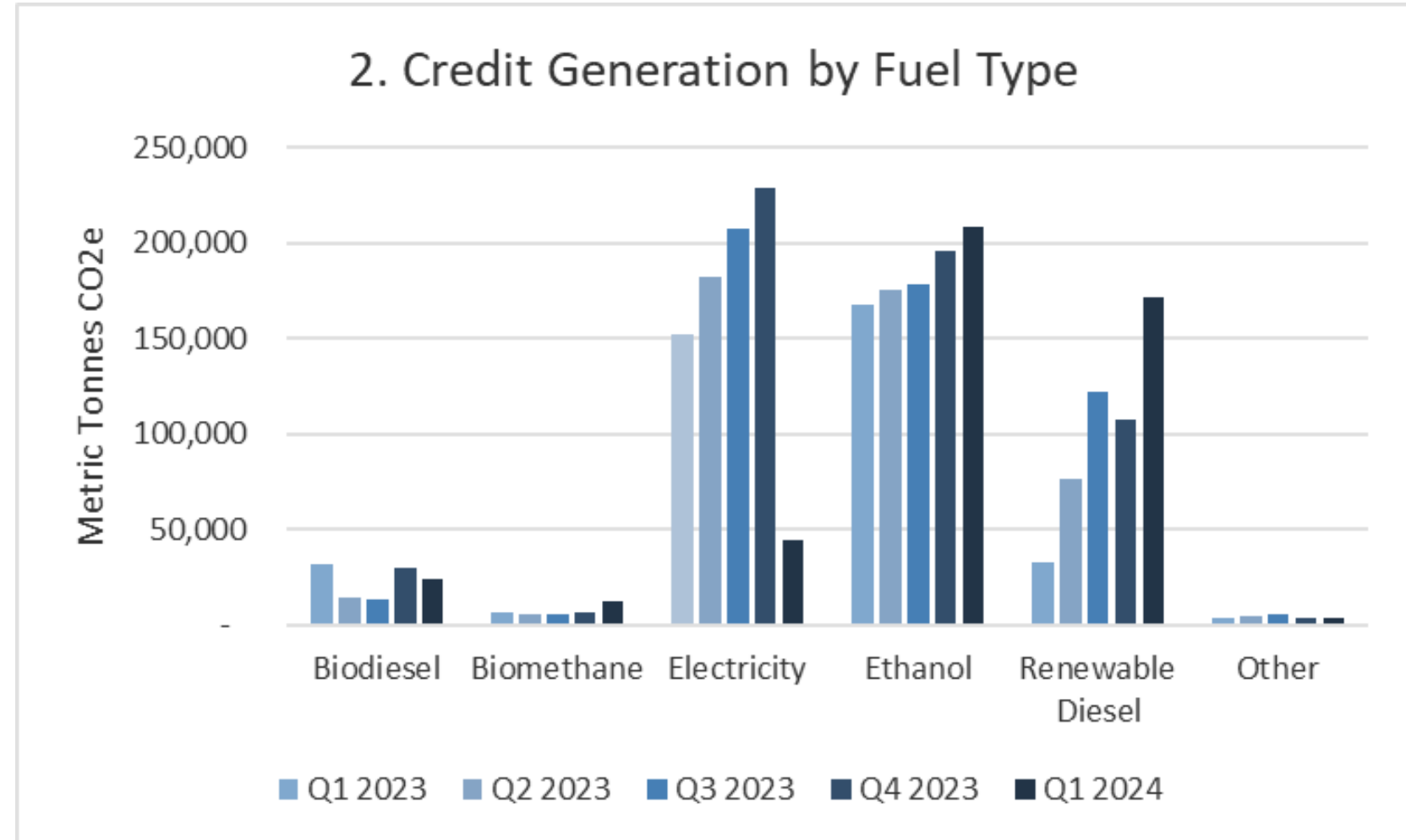
Total number of credit and deficits generated during Q1 2023 through Q1 2024 and the metric tons of CO₂ they represent.



Quarterly data

Fuels reported in Q1 2023 through Q1 2024 with a carbon intensity below the 2023 standard.

Q1 2024 electricity credits don't include credits from non-metered residential EV charging; these are issued twice per year and will be included in a future data summary.



Review of panel purpose and objectives





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.”

Recommendation mode

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)).



Overview of memo

Input mode

The revised purpose of this panel

- This panel will provide a forum for members to offer individual and collective input and insight on how Ecology might best incentivize and allocate credits for the sequestration of greenhouse gases through activities on agriculture and forestlands in Washington consistent with the objective of the Clean Fuel Standard, including input on:
 - Identifying opportunities and threats to Clean Fuel Standard related to incentivizing CCS on agriculture and forestlands
 - Ecology's biennial review of innovative technologies and pathways that reduce greenhouse emissions and increase credit generation opportunities, including on agricultural and forestlands
 - Legislative proposals or questions

Near term approach

Recommendation mode

The purpose of this panel

- Annual decision gate – is panel able to shift into recommendation mode?
- How can this panel provide recommendations on how best to account for, incentivize, and award CFS credits for carbon sequestration on agriculture
 - Identifying agricultural and forest land practices that have measurable greenhouse gas (GHG) benefits.
 - Quantifying the carbon sequestration impact of current agricultural and forestry production and conservation practices and estimating the potential due to future practices.
 - Identifying and developing standards for optimizing/maximizing carbon sequestration for practices on agricultural and forestlands as they relate to the Clean Fuel Standard.
 - Developing mechanisms for quantifying and allocating Clean Fuel Standard credits to incentivize carbon sequestration on agricultural and forestlands.

Long-term aspiration

Input mode *for* 2025-2026

Deliverable and process

Regular report. This report documents input from the panel, with an emphasis on the current areas of panel focus (opportunities and threats, biennial review of innovative technologies, legislative issues). The report will be published every 18-24 months.

Cycle resulting in deliverable

1. Determine topics (1 meeting)

- Panel generates topics of relevance
- Panel makes recommendations on improving/prioritizing topics
- Ecology finalizing topics selected for cycle

2. Develop learning agenda (Timeline TBD)

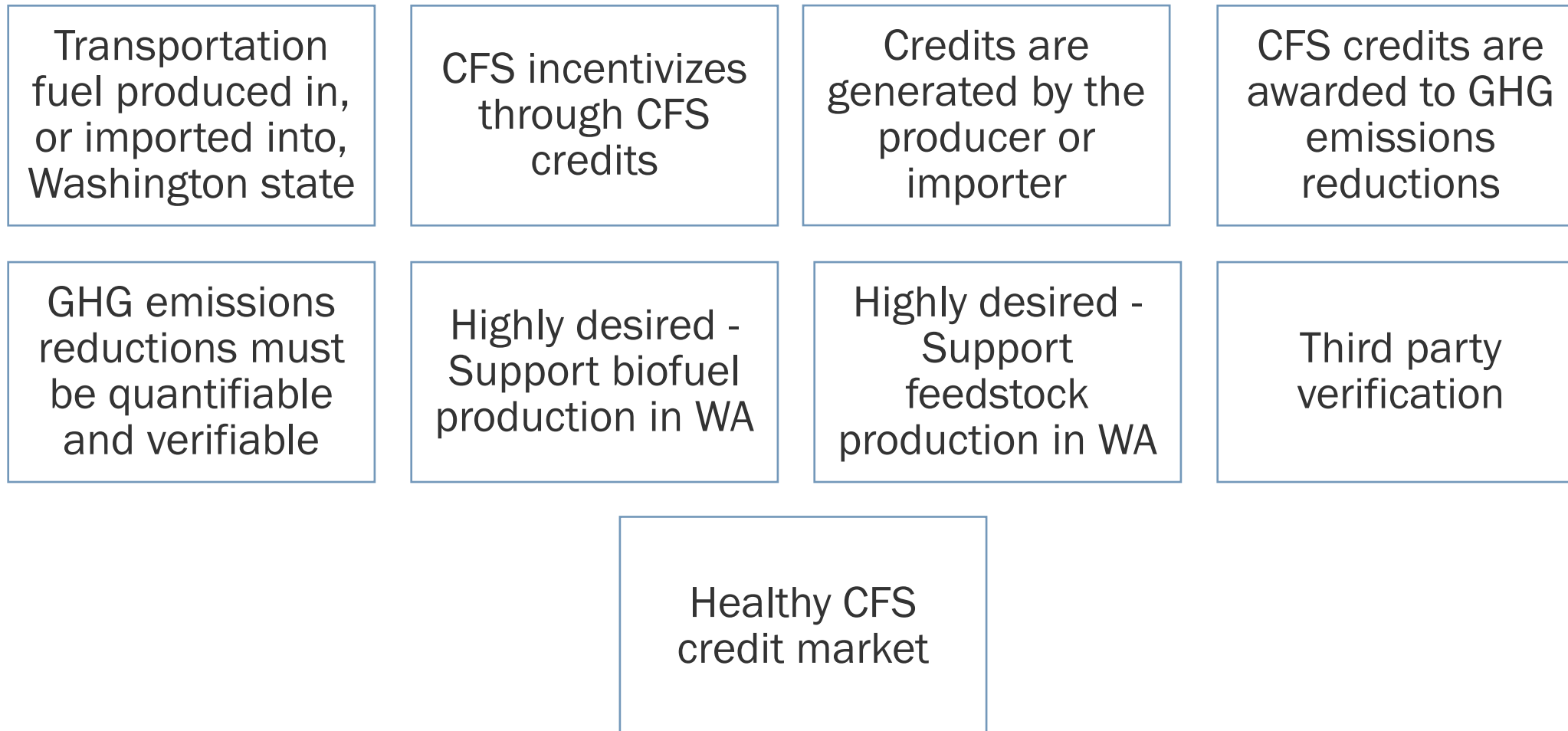
- Ecology identifies learning areas for developing Ecology knowledge
- Presentations and readings are jointly viewed/reviewed by panel members and Ecology
- Ecology draft learnings

3. Host meeting/survey with panel to solicit input on learnings (1-2 meetings)

4. Report (1 meeting)

- Ecology prepares documentation to include in report
- Report includes Ecology's response to advisory panel's input
- Report is published to webpage and circulated

Parameters for incentivizing and allotting CFS credits



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



Future outlook

Panel schedule for calendar years 2025 and 2026

Panel meetings will consolidate to late spring and fall and may include meetings that are longer than the standard 3-hour virtual meeting, or that are in person.

- May (example agenda: Kickoff for 2025)
- June: Longer meeting session (possibly in-person)
- September: Longer meeting session
- November
- May
- June
- September
- November



Next steps & wrap up

Ecology

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**Thank you for
attending!**
