

Focus on: Washington's Clean Fuel Standard



Figure 1. Image of person fueling car with clean fuel.

What is the Clean Fuel Standard?

Washington's <u>Clean Fuel Standard</u> (CFS) is a market-based policy that curbs climate pollution from the transportation sector by lowering the carbon intensity of fuels. In doing so, the CFS aims to increase the availability and affordability of low-carbon and renewable transportation fuels. It's part of a suite of climate policies that work together to reduce greenhouse gas emissions 95% by 2050.

The CFS requires fuel producers and suppliers to gradually reduce the carbon intensity of transportation fuels to 20% below 2017 levels by 2034. There are several ways to achieve these reductions, including:

- Improving the efficiency of production processes
- Producing low-carbon fuels and/or blending low-carbon biofuels into gasoline and diesel
- Purchasing credits generated by low-carbon fuel producers, including electric vehicle charging providers

Washington is one of several governments that have adopted and implemented a clean fuel policy. Others include California, Oregon, and British Columbia. New Mexico also is working to implement a program.

How the Clean Fuel Standard will benefit Washingtonians

Climate change is affecting Washington's economy, environment, and the health and safety of our communities. Since transportation is our state's largest source of greenhouse gas emissions, policies like the CFS play an essential role in combating climate change.

By requiring fuel suppliers to reduce the carbon intensity of transportation fuels, the CFS will cut statewide greenhouse gas emissions by an estimated 4.3 million metric tons a year by 2038 and stimulate economic development in low-carbon fuel production. Since the policy took effect in January of 2023, we've already seen increases in the production and sale of electricity for transportation, biodiesel, ethanol, and renewable diesel in Washington. This means technological innovation, job growth, and opportunities for Washington businesses.

The CFS and other climate and air quality programs will help improve air quality too. Lowering the carbon intensity of transportation fuels doesn't just result in lower greenhouse gas emissions. It also reduces co-pollutants that pose more immediate threats to human health. Additionally, the CFS also requires electric utilities to use a portion of the credit revenue generated under the program to benefit communities that are disproportionately impacted by air pollution. These credit revenues originate from the utilities' sales of electricity to charge electric vehicles, and these credits have been increasing since the program began.



How the Clean Fuel Standard works

The CFS works by setting a carbon intensity standard for transportation fuels that declines each year. Fuels are assigned carbon intensity scores based on the greenhouse gases emitted during the full lifecycle of their production. Cleaner fuels — those with a carbon intensity score **below** the standard — generate **credits** that can be kept or sold to producers or suppliers of high-carbon fuels. Fuels with a carbon intensity score **above** the standard generate **deficits**. Those producers and suppliers must then buy enough credits to meet the carbon-intensity standard for that year. This market-based system incentivizes the production of lower-carbon transportation fuels in Washington.



Current and upcoming work

Ecology is considering changes aimed at promoting the production and use of low-carbon sustainable aviation fuels in Washington and strengthening the Clean Fuel Standard program by establishing requirements for a third-party verification program and refining the compliance and enforcement process.



Related information

<u>https://ecology.wa.gov/CFS-Information</u>

