



DEPARTMENT OF
ECOLOGY
State of Washington

Rule Implementation Plan
Chapter 173-424 WAC, Clean Fuels Program Rule &
Chapter 173-455 WAC, Air Quality Fee Rule

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Implementation Plan

Chapters 173-424 and 173-455 WAC

Clean Fuels Program Rule and Air Quality Fee Rule

Air Quality Program

Washington State Department of Ecology

Olympia, Washington

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Purpose

The Washington State Department of Ecology (Ecology) provides the information in this implementation plan to meet agency and Administrative Procedure Act (RCW 34.05.328) requirements related to rule adoptions.

Introduction

On November 28, 2022, Ecology adopted Chapter 173-424 WAC Clean Fuels Program Rule and amendments to Chapter 173-455 WAC Air Quality Fee Rule (AO # 21-04). The purpose of this rule implementation plan is to inform those who must comply with Chapters 173-424 and 173-455 WAC about how Ecology intends to:

- Implement and enforce the rule.
- Inform and educate persons affected by the rule.
- Promote and assist voluntary compliance for the rule.
- Evaluate the rule.
- Train and inform Ecology staff about the new and amended rules.

Also included in this plan is information about:

- Supporting documents that may need to be written or revised because of the new rule or amended rule.
- Other resources where more information about the rule is available.
- Contact information for Ecology employees who can answer questions about the rule implementation.

Implementation and Enforcement

This rule applies to transportation fuel suppliers in Washington. Other entities may join the program voluntarily to generate credits.

Ecology implements this rule through staff in the Climate Policy Section within the Air Quality Program at the Headquarters office in Lacey. Staff will be available for technical assistance and training throughout program implementation.

Ecology will enforce this rule through verification and periodic audits of quarterly and annual reports.

As required by Chapter 70A.535 RCW, Ecology will:

- Work with the Department of Commerce on the development of a periodic fuel supply forecast.
- Monitor biofuel capacity in Washington State to ensure the biofuel targets specified in RCW 70A.535.025 are met.
- Hold credit clearance markets.
- Work with the Washington State Department of Transportation to develop a list of transportation electrification programs and projects in the first half of 2023. Utilities must spend 50 percent of credit revenues on programs or projects from this list.

Ecology will also develop a biennial workload analysis and corresponding annual budget that will be used to determine program fees. Ecology will post the applicable workload analysis and annual budget on our website each year. Comments on the draft budget and fees will be accepted through an online comments site to be established and accessible via the Clean Fuel Standard webpage or by email to cfs@ecy.wa.gov.

Ecology has convened a stakeholder advisory panel with representatives from the forestry and agricultural sectors and related fields to solicit input on carbon sequestration activities related to the Clean Fuel Standard, as directed by RCW 70A.535.060. Ecology will continue to meet periodically with the panel throughout the life of the program.

Informing and Educating Persons Affected by the Rule

Throughout the rulemaking process, Ecology has done the following to help inform interested persons:

- Emailed notices to the Clean Fuels email list, the Air Quality Program general email list on rules and statewide plans, and the WACTrack email list;
- Issued a press release;
- Posted on social media;
- Presented at conferences, trade association meetings, and other events attended by potentially interested persons;
- Posted information on Ecology's Clean Fuels Program rulemaking webpage and the general Clean Fuel Standard webpage; and
- Held five stakeholder meetings and a public hearing via webinar, and additional meetings with stakeholders as requested.

Ecology will continue to notify interested persons through the Clean Fuels email list about the adopted rules.

Ecology will provide trainings on how to register and report using the Washington Fuel Reporting System (WFRS). Ecology will send notice of these trainings to the Clean Fuels email list and post details on Ecology's Clean Fuel Standard webpage.

Ecology will also continue to present about the program at relevant conferences, which will provide an additional opportunity for regulated and interested parties to learn about the rule.

Promoting and Assisting Voluntary Compliance

The actions mentioned above that inform and educate stakeholders also help promote voluntary compliance. A number of other activities have proven useful in promoting voluntary compliance, such as:

- Posting the regulations and guidance documents on Ecology's website
- Training Ecology staff on new and amended regulations so they can answer questions
- Maintaining a file for comments and suggestions for improving regulations. We use the file during each subsequent rulemaking. These suggestions come from Ecology staff, the regulated community, and other interested stakeholders.

Ecology has also established a dedicated email address to answer technical questions related to the program (cfs@ecy.wa.gov) and an additional dedicated email address to answer questions related to the Washington Fuel Reporting System (WFRSAdmin@ecy.wa.gov.) Technical staff will be available to respond to questions submitted to these email addresses and by phone.

Evaluating the Rule

Ecology will monitor the impacts of the rule. To evaluate the effectiveness of the rule, Ecology will do the following:

- Work closely with transportation fuel suppliers that are required to comply with the rule;
- Monitor clean fuels programs in other states and update this regulation as appropriate to harmonize with other states' rule updates;
- Consider future rulemaking to add policy provisions as authorized by Chapter 70A.535 RCW to achieve program goals;
- Conduct biennial workload assessments with the Department of Commerce to ensure program fees align with program implementation costs;
- Conduct a biennial review of new clean fuels technologies and modify rules as needed to maintain a stable credit market, as directed by RCW 70A.535.060;
- Provide data and information to the Joint Legislative Audit and Review Committee, who is required to submit a report to the Legislature analyzing impacts of the initial five years of program implementation; and
- Monitor the credit market and work to ensure credit price consistency with other jurisdictions with similar programs.

Training and Informing Ecology Staff

Staff involved in the development of the rule will also be responsible for implementation of the rule. Staff have given presentations about the rule at Ecology all-staff meetings, monthly meetings for programs and sections, and the agency climate resiliency team meetings. Ecology will continue to utilize staff meetings, the agency website, the agency intranet, and email to educate agency staff.

Rulemaking requires broad outreach to Ecology staff and management involved with implementing and enforcing the new rule requirement. After this rule is adopted, Ecology will contact all Ecology Air Quality staff who are likely to encounter stakeholders working to meet requirements of the new rule.

List of Supporting Documents that May Need to be Written or Revised

Ecology is developing guidance documents that will be adapted from existing California Air Resources Board guidance documents. We will also publish reports on program data to our website. These documents will include, but are not limited to, the following topics:

- Carbon intensity and credit calculation methodology
- FAQ documents
- Registration and reporting guidance
- Reporting templates
- IT platform user guides
- Monthly credit trading activity report
- Quarterly data summary
- Clean Fuels Program annual report

Ecology will develop additional guidance documents or other resources as needed.

Ecology's website also houses many technical assistance documents and resources including focus sheets, slides from stakeholder meetings and the public hearing, and carbon intensity modeling resources. We will continue to update this website as needed.

More Information

- [Rulemaking website](#)¹ for rulemaking activities and documents
- [Clean Fuel Standard website](#)²
- [Chapter 70A.535 RCW](#)³ Transportation Fuel—Clean Fuels Program
- [Clean Fuels Program email list](#)⁴

¹ <https://ecology.wa.gov/Regulations-Permits/Laws-rules-rulemaking/Rulemaking/WAC-173-424-455>

² <https://ecology.wa.gov/Air-Climate/Climate-change/Reducing-greenhouse-gases/Clean-Fuel-Standard>

³ <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.535>

⁴ https://public.govdelivery.com/accounts/WAECY/subscriber/new?topic_id=WAECY_142

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