



Guidance on New Reporting and Coverage Thresholds for Fuel Suppliers Under the Climate Commitment Act



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Interim Guidance on New Reporting and Coverage Thresholds for Fuel Suppliers Under the Climate Commitment Act

Introduction

Climate Commitment Act

In 2021, Washington enacted the Climate Commitment Act (CCA). This law created the Cap-and-Invest Program, which places a statewide limit (or “cap”) on most greenhouse gas emissions. The cap covers the majority of Washington’s emissions and decreases annually in alignment with the emission limits in state law ([RCW 70A.45.020](#)).

Currently, entities that release 10,000 metric tons (MT) or more of greenhouse gases (measured in CO₂ equivalent units) each year must report their emissions to the Ecology. The major categories of entities that are required to report their greenhouse gas emissions to Ecology include: entities that import electricity from outside the state, suppliers (of fuel, natural gas, and carbon dioxide), and a broad range of high-emitting facilities such as refineries, power plants, and paper mills.

Currently, most entities that emit more than 25,000 metric tons of carbon dioxide equivalent per year in Washington are required to participate in the Cap-and-Invest program. They must also have their emissions reviewed by an independent, third-party verifier. These *covered entities* include fuel suppliers, natural gas and electric utilities, industrial facilities, waste-to-energy facilities (starting in 2027), and railroads (starting in 2031).

Cap-and-Invest sets a limit, or cap, on overall emissions from the largest sources and requires covered entities to obtain allowances equal to their covered greenhouse gas emissions. With the exception of utilities and certain industrial facilities, allowances must be purchased through quarterly auctions hosted by Ecology or bought and sold on the secondary market (similar to stocks and bonds).

The program cap will be reduced over time to ensure Washington achieves its 2030, 2040, and 2050 emissions-reduction limits, which means fewer emissions allowances are issued each year. The CCA also requires revenues from Cap-and-Invest auctions to be invested in climate change mitigation and resilience activities and environmental justice initiatives, among others.

House Bill 2215

In 2026, the Legislature passed House Bill (HB) 2215, which establishes lower greenhouse gas reporting thresholds under [RCW 70A.15.2200](#) and new coverage requirements under [RCW 70A.65.080](#) for suppliers of gasoline, diesel, biodiesel, and propane that meet the conditions described in this guidance. The requirements take effect on January 1, 2027.

This interim guidance has four main purposes:

1. Explain how reporting and coverage thresholds apply to suppliers of gasoline, diesel, biodiesel, and propane.
2. Clarify distinctions between suppliers operating before 2023 and those beginning operations after 2023.
3. Identify documentation required to demonstrate operational status prior to 2023 or 2024.
4. Support suppliers in determining whether they meet the mandatory reporting threshold and Cap-and-Invest Program coverage threshold.

Scope

This guidance applies to suppliers that produce, import, deliver, or sell gasoline, diesel, biodiesel, or propane in Washington State. The reporting and coverage thresholds for some suppliers of gasoline, diesel, biodiesel, and propane will change starting on January 1, 2027. The coverage threshold for natural gas suppliers will not change.

Applicable Fuel Products for New Thresholds

New thresholds apply only to suppliers of the following fuels:

- Gasoline
- Diesel
- Biodiesel
- Propane

Conditions Affecting the Coverage Threshold

Applicability of the new thresholds is based on the supplier's operational start date and the manner the fuel was transported.

Condition 1 - supplier began producing, importing, delivering, or selling before 2023

Fuel suppliers that were operating prior to January 1, 2023, remain subject to the following thresholds:

- Greenhouse gas reporting threshold: 10,000 MT CO₂e
- Cap-and-Invest coverage threshold: 25,000 MT CO₂e

Documentation required by Ecology:

Ecology may request evidence of a valid fuel-related business license prior to 2023, including:

- Legal Name associated with the Federal EIN
- Trade Name (DBA), if applicable
- Business structure (corporation, LLC, LLP, partnership, sole proprietorship)
- Washington State UBI (9-digit identifier)
- Federal EIN (not required for sole proprietorships without employees)
- Equivalent documentation from other jurisdictions
- Evidence of fuel operations including bills of lading (BOLs), delivery receipts, or contracts
- Other supplemental business documentation as necessary

Condition 2 - fuel supplier began producing, importing, delivering, or selling gasoline, diesel, biodiesel, or propane on or after January 1, 2023.

Fuel suppliers who began operations on or after January 1, 2023, are subject to the new lower thresholds:

- Greenhouse gas reporting threshold: 500 MT CO₂e
- Cap-and-Invest coverage threshold: 500 MT CO₂e

Condition 3 - fuel supplier began producing, importing, delivering, or selling in 2023, and can demonstrate additional operational details.

Fuel suppliers that began operations on or after January 1, 2023, and before January 1, 2024, are subject to the conditions under either 3a or 3b.

3a. Fuel suppliers transporting 100% of any combination of applicable fuel products using company-owned vehicles.

Fuel suppliers producing, importing, delivering or selling applicable fuels that transport 100% of their fuel using the supplier's company-owned vehicles prior to January 1, 2024, are subject to the following thresholds:

- Greenhouse gas reporting threshold: 10,000 MT CO₂e
- Cap-and-Invest coverage threshold: 25,000 MT CO₂e

Documentation required by Ecology:

Ecology may request evidence that 100% of fuel is transported in a supplier's company-owned vehicle, including:

- United States Department of Transportation (DOT) number
- International Fuel Tax Agreement (IFTA) number

- Tax Records or other supplemental business documentation that demonstrates 100% of the fuel was transported in the supplier's company-owned vehicle

3b. Fuel suppliers **NOT using company-owned vehicles to transport 100% of the applicable fuel products.**

Fuel suppliers producing, importing, delivering or selling applicable fuel that do not meet the qualifications in 3a are subject to the following thresholds:

- Greenhouse gas reporting threshold: 500 MT CO₂e
- Cap-and-Invest coverage threshold: 500 MT CO₂e

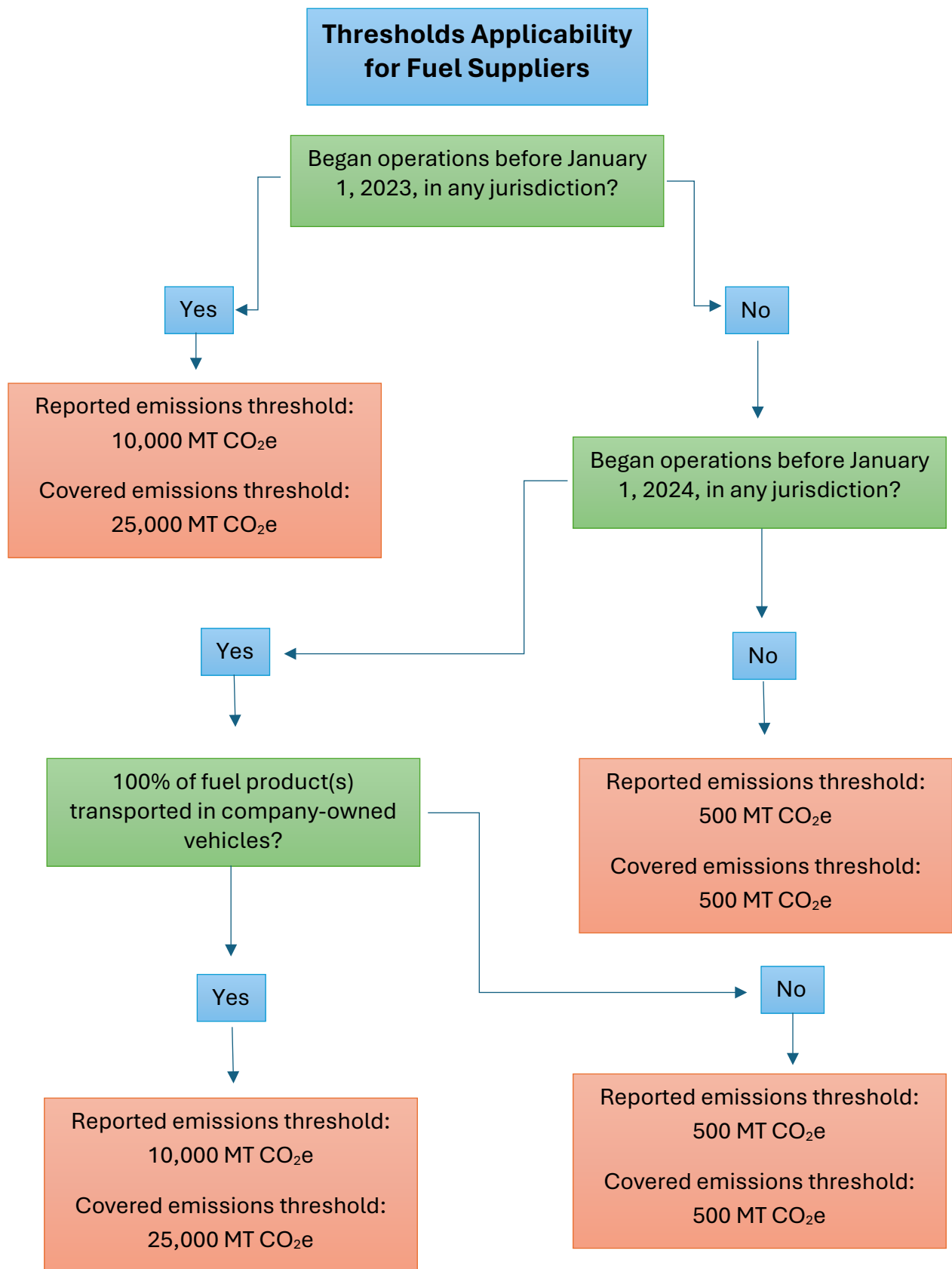


FIGURE 1. THRESHOLDS APPLICABILITY FOR FUEL SUPPLIERS

FAQs

Which fuel products are affected by changes in thresholds?

The changes in the law apply to suppliers of gasoline, diesel, biodiesel, and propane. Based on 40 CFR Part 98, Ecology interprets these fuel products to include:

- Gasoline: finished gasoline formulated for use in motor vehicles; any blend of conventional blendstock for oxygenate blending (CBOB) and oxygenates such as ethanol.
- Diesel: any distillate fuel oil; a fossil version of distillates No. 1 and No. 2 or biogenic versions such as renewable diesel.
- Biodiesel: a mono-alkyl ester derived from biomass and conforming to ASTM D6751-08, Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels.
- Propane (also called liquefied petroleum gas): a group of hydrocarbons consisting of ethane, propane, butane, isobutane, and pentanes plus.

How did HB 2215 change the CCA compliance threshold?

Prior to HB 2215, many fuel suppliers were not covered unless the annual emissions from the fuel they supplied exceeded 25,000 metric tons of CO₂e. HB 2215 lowers the threshold for many fuel suppliers beginning in the second compliance period of the Cap-and-Invest Program (2027 – 2031). Depending on the supplier's history of operations, the compliance threshold may begin at either 500 MT CO₂e annually or 25,000 MT CO₂e annually.

Which suppliers are subject to the 500 metric ton CO₂e threshold?

Generally, suppliers that began producing, importing, delivering, or selling any combination of gasoline, diesel, biodiesel, or propane on or after January 1, 2023, become subject to a CCA compliance obligation when the annual emissions from fuel they supplied exceeds 500 metric tons of CO₂e.

Which suppliers qualify for the 25,000 metric ton CO₂e threshold?

Suppliers that demonstrate they were producing, importing, delivering, or selling gasoline, diesel, biodiesel, or propane before January 1, 2023, will be subject to the 25,000 MT CO₂e coverage threshold instead of the lower 500 MT CO₂e coverage threshold. Additionally, suppliers that demonstrate they were producing, importing, delivering, or selling gasoline, diesel, biodiesel, or propane and transporting 100% of any combination of the fuels in a supplier's company-owned vehicle before January 1, 2024, will be subject to the 25,000 MT CO₂e coverage threshold.

Are fuels delivered outside Washington included in the threshold calculation?

No. Fuel products that are produced or imported with a final point of delivery outside of Washington do not count toward the coverage thresholds.

What should fuel suppliers do if they may be affected?

Fuel suppliers should:

1. Evaluate annual fuel volumes and associated CO₂e emissions. Reporting tools are available to calculate CO₂e emissions based on volumes of fuel products. Fuel suppliers can reach out to GHGReporting@ecy.wa.gov to request the reporting tool.
2. Determine whether they qualify under the pre-2023 or post-2023 supplier categories.
3. If they exceed the relevant coverage threshold, register with the Washington State Department of Ecology (required).
4. Review fuel sourcing and reporting systems to ensure compliance with Greenhouse Gas Reporting Program and CCA requirements.

How does HB 2215 impact state and local government fuel procurements?

Beginning January 1, 2027, state and local government procurement contracts for gasoline, diesel, biodiesel, or propane may be awarded only to sellers/contractors who (1) are registered with Ecology under the CCA as a covered or opt-in entity; or (2) provide documentation, including invoices, that fuel was purchased from a covered or opt-in entity registered with Ecology under the CCA and that the emissions from the fuel are emissions covered by the CCA.

When do lower thresholds take effect?

The changes to the reporting and coverage thresholds apply as of the beginning of the second CCA compliance period and all subsequent compliance periods, beginning January 1, 2027. The new state and local government procurement requirements also begin on January 1, 2027.

Are imports of the applicable fuel products via railcar subject to the lowered thresholds?

Yes, imports of any combination of gasoline, diesel, biodiesel, or propane delivered by railcar are subject to the lowered reporting and coverage thresholds, excluding the fuel with a documented final point of delivery outside of Washington and combusted outside of Washington.

Do the lowered thresholds apply to position holders at fuel terminals?

Yes, the lowered thresholds also apply to gasoline, diesel, biodiesel, or propane sold by position holders at fuel terminals in Washington State.

I am a retail fuel seller, how do the changes in thresholds affect my business?

Evaluate whether you qualify as a supplier as defined in [WAC 173-441-020](#): "Supplier" means any person who is a:

- (i) Fuel supplier that produces, imports, or delivers, or any combination of producing, importing, or delivering, fuel products in Washington; and
- (ii) Supplier of carbon dioxide that produces, imports, or delivers a quantity of carbon dioxide in Washington that, if released, would result in emissions in Washington.

If you are a retail fuel seller who otherwise **does not** qualify as a supplier as defined in [WAC 173-441-020](#), the changes in thresholds do not generate a compliance obligation with the Cap-and-Invest Program.

If you are a retail fuel seller who **does** qualify as a supplier as defined in [WAC 173-441-020](#), please evaluate your annual fuel volumes and associated CO₂e emissions and determine whether they qualify under the pre-2023 or post-2023 supplier categories. Reach out to GHGReporting@ecy.wa.gov for questions and to request the reporting tool.

I have been a reporter in the Greenhouse Gas Reporting Program since 2022, what do I need to do?

Suppliers of any combination of gasoline, diesel, biodiesel, or propane who have not been involved in any ownership changes (acquisitions, mergers, or other changes in business resulting in an ownership structure change) and have submitted GHG reports to Ecology since emissions year 2022 do not need to provide Ecology with additional documentation. Suppliers who reported for emissions year 2022, but have since experienced a change in ownership, must reach out to GHGReporting@ecy.wa.gov to discuss next steps.

How do changes in the law affect the treatment of lubricants?

House Bill 2215 addresses the treatment of lubricants under the Greenhouse Gas Reporting and Cap-and-Invest Programs. Beginning with emissions year 2027, lubricants must be reported under the Greenhouse Gas Reporting program, but do not generate covered emissions or a compliance obligation under the Cap-and-Invest Program.