



Cap-and-Invest Fuel Exemptions Workgroup Meeting Summary

Thursday, August 24, 2023 | 1:00 – 3:00 p.m.

Location: Zoom

Attendance

- 26 out of the 37 workgroup members attended virtually.
- 5 Ecology staff attended virtually.

Welcome and Introductions

- The facilitation team welcomed workgroup members, shared the anti-trust reminder, an overview of the meeting #6 agenda, and the workgroup timeline.
- Ecology shared the link to the Exemption Certificate in Spanish, now available online: <https://apps.ecology.wa.gov/publications/SummaryPages/ECY070721ES.html>.

Interim Guidance Update

- The Ecology team shared an overview of the updates made to the interim guidance for agricultural products. Workgroup member received the draft guidance on June 23 and were asked to provide written feedback by July 13. Ecology received 6 comments on the guidance. Ecology shared that the guidance is a guideline on how to determine for oneself if something is considered an agricultural product or not. The document is not an exhaustive list outlining what is or is not considered an agricultural product. The document relies heavily on the Department of Revenue's definition of agricultural products.

Moving from issues to solutions

- Part one of the solutions discussion focused on the draft interim guidance to address what constitutes agricultural products for transport.
- The workgroup discussed improvements to the draft interim guidance and workgroup members contributed to the Mural board directly, through Zoom chat, and verbally in discussion. Workgroup members also asked questions with specific product examples, seeking clarification from Ecology.
- **Guiding questions for the agricultural guidance discussion:**
 1. Are there additional clarifications needed to determine if something is an agricultural product? If yes, what are the additional clarifications?
 2. Are there any disconnects/differences between the agricultural product definition in the guidance published by Ecology and your understanding of agricultural products in your industry? If so, what are they?
 3. What approaches/actions can be taken to make sure that exempt fuel end users know what is an agricultural product and what is not?
 - a. By workgroup members
 - b. By Ecology
 4. A commenter requested that in addition to already exempted backhaul and return trips, Ecology considers adding fuel used for empty trucks picking up agricultural products to also be eligible for exemption. What information could be provided to

demonstrate that the empty truck can qualify as exempt and help ensure that this exemption could not be claimed incorrectly by actors in bad faith?

- Part two of the discussion continued the conversation on how to apply exemptions for transport of mixed loads with both exempt and non-exempt products. Ecology presented the solutions that workgroup members had shared for mixed loads during meeting 5 on August 10 and relied on the discussion questions below to continue building out the solutions.
- The workgroup discussed options to implement documentation solutions for mixed loads. Workgroup members shared solutions for mixed loads by contributing to the Mural Board, through Zoom chat, and discussion.
- **Guiding questions for discussion on mixed loads:**
 1. What additional solutions do you have for allocating fuel use for mixed loads?
 2. How feasible is allocating fuel by weight/mass? And why or why not?
 3. How can Ecology help you implement each interim guidance as it relates to mixed loads into your hauling operations?
 4. What additional materials could Ecology provide to help document fuel exempted for the transportation of agricultural products?
 - a. For fuel suppliers
 - b. For exempt end users?
 5. What are potential solutions for Fuel Distributors to reconcile which Fuel Supplier may claim the exempt fuel when they sell fuel to exempt end users and they source exempt fuel from multiple Fuel Suppliers?

Next Steps and Action Items

- The next Fuel Exemptions Workgroup meeting will occur on September 7, from 9:00 – 11:00am in a hybrid format, in-person at Lacey and virtually on Zoom.

Resource and Assistance

- Contact Jihan Grettenberger at Jihan.Grettenberger@ecy.wa.gov or 360-742-1153
- [Fuel Exemptions Workgroup webpage](#)
- [Exemption Certificate for Agricultural Purposes and Maritime Fuel Users](#) in Spanish