

NEW SECTION

**WAC 173-455-150 Clean fuels program fees.** (1) Fee determination. All entities required to participate or voluntarily participating under WAC 173-424-130 must pay an annual fee. Ecology must establish fees based on workload using the process outlined below. The fees must be sufficient to cover ecology's costs to administer the clean fuels program.

(2) Fee eligible activities. All costs of activities associated with implementing and administering the clean fuels program are fee eligible.

(3) Deficit and credit generators. Deficit and credit generators are entities that generate credits or deficits as defined in WAC 173-424-110.

(4) Ecology identifies deficit generators based on the following:

(a) In 2024, ecology determines deficit generators based on quarterly reports submitted in 2023.

(b) For all subsequent years, ecology determines deficit generators based on the annual compliance reports required by WAC 173-424-430 and covering deficits generated during the previous compliance year.

(5) Workload analysis and budget development. Each year, ecology must conduct a workload analysis and develop a budget for administration of the clean fuels program. The workload analysis must project resource requirements for administering the clean fuels program. The budget must be based on the resource requirements identified in the workload analysis.

(6) Allocation methodology. Ecology must allocate the clean fuels program budget among the entities required to participate or voluntarily participating under WAC 173-424-120.

(a) For fees assessed in 2023, ecology may collect a participation fee only. Ecology must allocate the participation fee as follows:

(i) Eighty percent of the annual budget is to be paid by deficit generators.

(ii) Twenty percent of the annual budget is to be paid by credit generators.

(b) For fees assessed after 2024, ecology may collect both a participation fee and a deficit generation fee.

(i) The participation fee must equal 20 percent of the annual budget, and ecology must split the fee equally amongst all program participants (deficit and credit generators).

(ii) The deficit generation fee must equal 80 percent of the annual budget, and ecology must allocate the fee based on the number of deficits generated by an entity as follows:

(A) Category 1 (highest fee): Top 30 percent of deficit generators.

(B) Category 2 (middle fee): Middle 30 percent of deficit generators.

(C) Category 3 (lowest fee): Lower 30 percent of deficit generators.

(D) Category 4 (fee exemption): The lowest 10 percent of deficit generators will be exempt from the deficit generation fee.

(7) Fee schedule.

(a) In 2023, ecology must prepare an annual budget that reflects the estimated cost of administering the clean fuels program. Ecology

must post the annual budget and estimated participation fee on ecology's website by February 1, 2023.

(b) In 2024, ecology must prepare an annual budget that reflects the estimated cost of administering the clean fuels program. Following preparation of the annual budget, ecology must:

(i) Post the draft annual budget, estimated fees, and list of deficit generators on ecology's website by February 1, 2024.

(ii) Provide a 30-day public comment period on the draft budget, fees, and deficit generator list.

(iii) Post the final budget, fees, and deficit generator list by March 15, 2024.

(c) For all subsequent years, ecology must prepare an annual budget that reflects the estimated cost of the program. Following preparation of the annual budget, ecology must:

(i) Post the draft annual budget, estimated fees, and list of deficit generators on ecology's website by May 15th.

(ii) Provide a 30-day public comment period on the draft budget, fees, and deficit generator list.

(iii) Post the final budget, fees, and deficit generator list by June 30th.

(8) Fee payments. Fees specified in this section must be paid within 60 calendar days of receipt of ecology's billing statement. All fees collected under this section must be made payable to the Washington department of ecology. Ecology may assess a late fee surcharge of \$50 or 10 percent of the fee, whichever is more, for any fee received after 90 calendar days past the due date for fee payment.

(9) Dedicated account. Ecology must deposit all clean fuels program fees and penalties in the clean fuels program account.