

**Chapter 173-424 WAC  
Clean Fuels Program Rule**

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## **Sections reviewed at the November 16, 2021 Stakeholder Meeting**

### **WAC 173-424-100 Purpose**

The purpose of this rule is to implement a Clean Fuels Program to reduce the life cycle greenhouse gas emissions per unit energy (carbon intensity) of transportation fuels used in Washington according to the Transportation Fuel – Clean Fuels Program (Chapter 70A.535 RCW).

### **WAC 173-424-110 Definitions**

### **WAC 173-424-120 Abbreviations**

### **WAC 173-424-130 Applicability**

- (1) Except as provided in section Exemption, this rule applies to:
  - (a) Any transportation fuel, as defined in section WAC 173-424-110, that is sold, supplied, or offered for sale in Washington, and
  - (b) Any fuel reporting entity, as specified in section WAC 173-424-200 through 240, is responsible for reporting a transportation fuel in a calendar year.

- (2) **What types of transportation fuel are subject to this regulation?**

The types of transportation fuels this rule applies to include:

- (a) Gasoline
- (b) Diesel or diesel fuel
- (c) Fossil compressed natural gas (“Fossil CNG”), fossil liquefied natural gas (“Fossil LNG”), or fossil liquefied compressed natural gas (“Fossil L-CNG”);
- (d) Bio-CNG, bio-LNG, or bio-L-CNG;
- (e) Electricity;
- (f) Compressed or liquefied hydrogen (“hydrogen”);
- (g) A fuel blend containing greater than 10 percent ethanol by volume;
- (h) A fuel blend containing biomass-based diesel;
- (i) Denatured fuel ethanol (“E100”);
- (j) Neat biomass-based diesel (“B100” or “R100”);
- (k) Alternative Jet Fuel;

- (l) Fossil LPG/Propane; and
  - (m) Any other liquid or non-liquid fuel.
- (3) Opt-in fuel
- (a) Each fuel in (b) of this sub-section is presumed to meet the carbon intensity standards (benchmarks) in WAC 173-424-910 (a) through (c) through December 31, 2038.
  - (b) A fuel provider for an alternative fuel listed below may generate CFP credits (credit under this rule) for that fuel only by electing to opt into the CFP as an opt-in fuel reporting entity pursuant to section 95483.1 and meeting the requirements of this rule.
    - (i) Electricity;
    - (ii) Bio-CNG;
    - (iii) Bio-LNG;
    - (iv) Bio-L-CNG;
    - (v) Alternative Jet Fuel; and
    - (vi) Renewable Propane or renewable LPG.
- (4) Annual carbon intensity benchmarks for an alternative fuel intended for use in a single-fuel vehicle.
- (a) Gasoline and gasoline substitutes. A regulated party or credit generator must comply with the benchmarks for gasoline and gasoline substitutes in WAC 173-424-910 Table 1 for alternative fuel intended to be used in a single-fuel light- or medium-duty vehicle.
  - (b) Diesel and diesel substitute. A regulated party or credit generator must comply with the benchmarks for diesel fuel and diesel fuel substitutes in WAC 173-424-920 Table 2 for alternative fuel intended to be used in a single-fuel application other than a single-fuel light- or medium-duty vehicle.
  - (c) Alternative Jet Fuel benchmarks. A regulated party or credit generator must comply with the benchmarks for alternative jet fuel or jet fuel substitutes in WAC 173-424-920 Table 3.

- (d) Carbon Intensity Benchmarks for Transportation Fuels Intended for Use in MultiFuel Vehicles. Ecology's credit and deficit calculations involving alternative fuel provided for use in a multi-fueled vehicle use:
  - (i) The benchmarks for gasoline set forth in WAC 173-424-910 Table 1 if one of the fuels used in the multi-fuel vehicle is gasoline;
  - (ii) The benchmarks for diesel fuel set forth in WAC 173-424-910 Table 2 if one of the fuels used in the multi-fuel vehicle is diesel fuel.

**WAC 173-424-140 Exemptions**

- (1) Exempt fuels
  - (a) The CFP does not apply to the following transportation fuels:
    - (i) Fuels supplied in Washington by all providers of that particular fuel for transportation use at an aggregated quantity of less than 360,000 gallons per year.
    - (ii) Conventional jet fuel or aviation gasoline
    - (iii) Any deficit-generating fuel in military tactical vehicles and tactical support equipment.
  - (b) The following transportation fuels are exempt from carbon intensity reduction requirements until January 1, 2028:
    - (i) Special fuel used in off-road vehicles used primarily to transport logs;
    - (ii) Dyed special fuel used in vehicles that are not designed primarily to transport persons or property, that are not designed to be primarily operated on highways, and that are used primarily for construction work including, but not limited to, mining and timber harvest operations; and
    - (iii) Dyed special fuel used for agricultural purposes exempt from chapter 82.38 RCW.
  - (c) Fuels listed under (a) and (b) of this section are eligible to generate credits.
- (2) Exempt fuel uses. The CFP does not apply to any transportation fuel used in:
  - (a) Marine vessels, and
  - (b) Railroad locomotive applications.

## **WAC 173-424-150 General Requirements**

- (1) Regulated party requirements
  - (a) The regulated parties for regulated fuels are designated under WAC 173-424-200
  - (b) Regulated parties must:
    - (i) Register (Online registration section);
    - (ii) Keep records (Records section);
    - (iii) Report quarterly and annually (Quarterly Progress Reports section and the Annual Compliance Report section); and
    - (iv) Comply with the Clean Fuel Standard for:
      - (A) Gasoline and gasoline substitutes in WAC 173-424-910 Table 1
      - (B) Diesel fuel and diesel fuel substitutes in WAC 173-424-920 Table 2
- (2) Opt-in fuel supplier requirements
  - (a) An opt-in fuel supplier may voluntarily participate in the Clean Fuel Program according to WAC 173-424-240.
  - (b) An opt-in fuel supplier must:
    - (i) Register according to WAC 173-424-300;
    - (ii) Keep records as required under WAC 173-424-400;
    - (iii) Report quarterly and annually (Quarterly Progress Reports section and the Annual Compliance Report section); and
  - (c) The following sections of this chapter designate persons eligible to generate credits:
    - (i) WAC 173-424-210 for fossil or bio-based compressed natural gas, liquefied natural gas, liquefied compressed natural gas, liquefied petroleum gas, and hydrogen;
    - (ii) WAC 173-424-220 for electricity.
- (3) Aggregator requirements
  - (a) Aggregators must:
    - (i) Register according to WAC 173-424-300;
    - (ii) Keep records as required under WAC 173-424-400;
    - (iii) Report quarterly as required under WAC 173-424-410; and

- (iv) Report annually as required under WAC 173-424-420.
- (b) Aggregators facilitate credit generation and trade credits only if a regulated party or an eligible credit generator has authorized an aggregator to act on its behalf by submitting an Aggregator Designation Form.
- (c) Designation of aggregator:
  - (i) Aggregators facilitate credit generation and trade credits only if a regulated party or an eligible credit generator has authorized an aggregator to act on its behalf by submitting an Aggregator Designation Form. Aggregator designations may only take effect at the start of the next full calendar quarter after Ecology receives such notice.
  - (ii) The only exception to that designation by a credit generator is the backstop aggregator designated under WAC 173-424-220.
  - (iii) A regulated party or credit generator already registered with the program may also serve as an aggregator for others.
  - (iv) An aggregator must notify Ecology when a credit generator or regulated party has withdrawn designation of the aggregator. Aggregator withdrawals may only take effect at the end of the current full calendar quarter when Ecology receives such notice.
- (4) Registration requirements

A regulated party must submit a complete registration application to Ecology as required in WAC 173-424-300.
- (5) Recordkeeping requirements

Regulated parties, credit generators, and aggregators must develop and retain all records as required in WAC 173-424-400.
- (6) Quarterly progress report

Each regulated party, credit generator, and aggregator must submit quarterly reports under WAC 173-424-410.

(7) Annual compliance report

Each regulated party, credit generator, and aggregator must submit an annual report under WAC 173-424-420. Each regulated party must submit an annual compliance report for 2023 **notwithstanding** that the initial compliance period is for 2023 and 2024.

(8) Voluntary participation

The voluntary participation in the program by any person shall conclusively establish that person's consent to be subject to the jurisdiction of the State of Washington, its courts, and the administrative authority of Ecology to implement this program. If a person does not consent to such jurisdiction, then the person may not participate in the program.

## **SECTION 2 – DESIGNATION OF REGULATED PARTIES AND CREDIT GENERATORS**

### **WAC 173-424-200 Designation of Fuel Reporting Entities for Liquid Fuels**

(1) Applicability

The purpose of this section is to identify the first fuel reporting entities, subsequent fuel reporting entities, and the credit or deficit generator for liquid fuels. The first reporting entity is responsible for initiating reporting for a given amount of fuel within the online reporting system according to WAC 173-424-REP, and by default, holds the status as the initial credit or deficit generator. This section so prescribes the transfer of fuel reporting, and credit and deficit generating status.

(2) Designation of first fuel reporting entities for liquid fuels

Liquid fuels refer to fossil fuels (including gasoline, diesel, and conventional jet fuels), liquid alternative fuels (including ethanol, biomass-based fuels, and alternative jet fuels), and blend of liquid fossil and alternative fuels.

(a) Designation of first fuel reporting entities for liquid fuels

(i) The first fuel reporting entity for liquid fuels is the producer or importer of the liquid fuel.

(ii) For liquid fuels that are a blend of liquid alternative fuel components and a fossil fuel component, the first fuel reporting entity is the following

- (A) The producer or importer of alternative fuels for the alternative fuel component.
  - (B) The producer or importer of liquid fossil fuels for the fossil fuel component, except conventional jet fuel. Conventional jet fuel is not subject to the CFP, and must not be reported.
- (b) Designation of Fuel Reporting Entities for in Case of Transfer of Liquid Fuel Ownership. An entity transferring ownership of fuel is the “transferor” and an entity acquiring ownership of fuel is the “recipient.”
- (i) Transferring Status as Credit or Deficit Generator
    - (A) An entity can voluntarily transfer its status as a credit or deficit generator for a given amount of liquid fuel, with the ownership of the fuel, if the following conditions are met by the ownership of fuel is transferred:
      - (I) The two entities agree by written contract that specifies the recipient accept all the responsibilities of a fuel reporting entity, and credit and deficit generator.
      - (II) In case of a deficit generating fuel, the two entities must have a written contract that specifies which party is responsible for accounting for the base deficit and incremental deficit in the annual credits and deficits balance calculation.
      - (III) The transferor must provide the recipient a product transfer document that specifies the recipient is the credit or deficit generator.
      - (IV) The credit or deficit generator status cannot be passed to a downstream entity acquiring ownership of liquid fuel below the rack.
    - (B) If such a transfer occurs, the recipient also becomes the fuel reporting entity for the fuel while the transferor is still subject to reporting requirements.
  - (ii) Retaining Status as Credit or Deficit Generator
    - (A) An entity can retain its status as a credit or deficit generator for a given amount of liquid fuel, while transferring ownership of the fuel, if the following conditions are met by the ownership of fuel is transferred:

- (I) The two entities agree by written contract that specifies the recipient accept all the responsibilities of a fuel reporting entity, and credit or deficit generator.
  - (II) In case of a deficit generating fuel, the two entities must have a written contract that specifies which party is responsible for accounting for the base deficit and incremental deficit in the annual credits and deficits balance calculation.
  - (III) The transferor must provide the recipient a product transfer document that specifies the recipient is the credit or deficit generator according to WAC 173-424-REP.
- (B) An entity can voluntarily transfer its status as a credit or deficit generator for a given amount of liquid fuel, with the ownership of the fuel, if the following conditions are met by the ownership of fuel is transferred:
- (I) The two entities agree by written contract that specifies the recipient accepts all the responsibilities of a fuel reporting entity and the transferor retains the responsibilities as a reporting entity, and credit or deficit generator.
  - (II) In case of a deficit generating fuel, the two entities must have a written contract that specifies which party is responsible for accounting for the base deficit and incremental deficit in the annual credits and deficits balance calculation.
  - (III) The transferor must provide the recipient a product transfer document that specifies the recipient is the credit or deficit generator WAC 173-424-REP.
- (iii) Transfer Period. For all liquid fuels,
- (A) For all liquid fuels, the period in which credit or deficit generator status can be transferred to another entity, for a given amount of fuel, is limited to three calendar quarters.

- (B) After this period is over, the credit and deficit generator status for that amount of fuel cannot be transferred.
- (iv) Designation of Fuel Exporter. Entities responsible for reporting exports of fuel that has been previously reported in the LRT-CBTS are identified below:
  - (A) When the fuel is sold or delivered above the rack for export, the entity holding the ownership title to the fuel as it crosses the Washington border on its way toward the first point of sale/delivery is responsible for reporting the export.
  - (B) When the fuel is sold across the rack for export, the entity holding title to the fuel as the fuel crosses the rack is responsible for reporting.
  - (C) When the fuel is diverted out-of-state below the rack, the entity holding title to the fuel, as it crosses the Washington border, is responsible for reporting the export.

**WAC 173-424-210 Fuel Reporting Entities for Gaseous Fuels**

(1) Applicability

This section applies to providers of both fossil and bio-based compressed natural gas, liquefied natural gas, liquefied compressed natural gas, and liquefied petroleum gas (or propane), and hydrogen used as transportation fuels in Washington.

(2) Designation of first fuel reporting entities for gaseous fuels. The first fuel reporting entity for different gaseous fuels is identified below:

- (a) Bio-CNG. For bio-CNG, including the bio-CNG portion of a blend with fossil CNG, the first fuel reporting entity is the producer or importer of the biomethane.
- (b) Bio-LNG and Bio-L-CNG. For bio-LNG and bio-L-CNG, including the biomethane portion of any blend with fossil LNG and L-CNG, the first fuel reporting entity is the producer or importer of the biomethane.
- (c) Renewable Propane. For renewable propane, including the renewable propane portion of a blend with fossil propane, the first fuel reporting entity is the producer or importer of the renewable propane.

- (d) Fossil CNG, LNG, and L-CNG and Propane. For fossil CNG, LNG, L-CNG, and propane, including the fossil portion of any blend with a renewable fuel component, the first fuel reporting entity is the entity that owns the fueling equipment through which the fossil fuel is dispensed to motor vehicles for transportation use.
- (e) Hydrogen
  - (i) Motor vehicles. The first fuel reporting entity for hydrogen is the entity that owns the fueling supply equipment through which hydrogen fuel is dispensed to motor vehicles for transportation use.
  - (ii) Forklift. The first fuel reporting entity for hydrogen used in fuel cell forklifts is the forklift fleet owner.
- (3) Designating another entity as fuel reporting entity. An entity may elect not to be the first fuel reporting entity for a given gaseous fuel, provided another entity has contractually agreed to be the fuel reporting entity for the fuel on its behalf. In such cases the two entities must agree by written contract that:
  - (a) The original first fuel reporting entity per subsections (1)(A) through (1)(E) above will not generate credits or deficits in the LCFS, and will instead provide the amount of fuel dispensed, and meet registration, recordkeeping, and reporting requirements, to the contractually designated entity for the purpose of CFP reporting, and credit or deficit generation.
  - (b) The contractually designated entity accepts all CFP responsibilities as the first fuel reporting entity, and as a credit or deficit generator, as applicable.

**WAC 173-424-220 Designation of Fuel Reporting Entity for Electricity**

- (1) Applicability

This section prescribes how credits are generated for electricity when used as a transportation fuel.
- (2) Responsibilities to generate credits
  - (a) To receive credits for electricity supplied as a transportation fuel, an entity subject to this section must:

- (i) Establish an account in the Online System;
  - (ii) Comply with registration, recordkeeping, and reporting requirements.
- (3) Non-residential electric vehicle charging

For electricity used to charge an electric vehicle at non-residential locations, such as in public for a fleet, at a workplace, or at multi-family housing sites, the eligible entities that generate credits are:

  - (a) The owner or service provider of the electric-charging equipment may generate credits from each piece of equipment.
  - (b) If the owner or service provider of the electric-charging equipment does not generate the credits, then an electric utility or its designated aggregator may generate the credit, if the two entities agree by written contract that:
    - (i) The owner of the charging equipment will provide the electricity data to the designated aggregator.
    - (ii) The designated entity accepts all CFP responsibilities as the fueling reporting entity and credit generator.
- (4) Fixed Guideway Systems

For electricity used to power to fixed guideway vehicles such as light rail systems, streetcars, aerial tram, or transit buses,

  - (a) The transit agency operating the system is eligible to generate the credits for the electricity used to propel the system.
  - (b) The electric utility is eligible to generate credits in its service area.
    - (i) The transit agency submits a written statement to Ecology that it will not opt in and generate credits under this provision; and
    - (ii) Ecology approves the statement.
- (5) Electric forklifts
  - (a) For electricity used as transportation fuel supplied to electric forklifts, the fleet owner is the fuel reporting entity and the credit generator creditor.
  - (b) The electric forklift owner may elect to designate another entity to be the credit generator, if the two entities agree by a written contract that:

- (i) The electric forklift fleet owner will not generate credits and will instead provide the electricity data to the designated entity.
    - (ii) The designated entity accepts all the CFP responsibilities as the fuel reporting entity and credit generator.
  - (c) The electric utility can generate credits for electricity supplied to electric forklifts in its service area during a reporting period if not claimed by any of the entities in (a) and (b).
- (6) Electric Transport Refrigeration Units (eTRU), Electric Cargo Handling Equipment (eCHE), Electric Power for Ocean-Going Vessel (eOGV).
- (a) For electricity supplied to eTRU, eCHE, or eOGV, the owner of the electric charging equipment is the fuel reporting entity and the credit generator.
  - (b) The owner of the electric charging equipment may elect to designate another entity to be the credit generator, if the two entities agree by a written contract that:
    - (i) The owner of the electric charging equipment will not generate credits and will instead provide the electricity data to the designated entity.
    - (ii) The designated entity accepts all the CFP responsibilities as the fuel reporting entity and credit generator.
- (7) Residential electric vehicle charging
- For electricity used to charge an electric vehicle in a (single- or multi-family) residence, the following entities are eligible to generate credits:
- Below are the CARB and ODEQ designation of the credits from the electricity used to charge electric vehicles in a residence.
- (a) California
    - (i) Base credits: Electric utility or its designee is eligible credit generator in its service area.
    - (ii) Incremental credit: Any entity, including an electric utility, is eligible to generate incremental credits for improvements in carbon intensity.
      - (A) For metered residential EV charging, incremental credits for each FSE may be generated for one of the following:

- (I) Low-CI electricity
- (II) Smart charging. The credit generator must demonstrate the residence is enrolled in a Time-of-Use rate plan, if offered by the LSE serving the residence.

(B) For metered residential EV charging, precedence in case of multiple claims for incremental credits

- Electric utility
- Original Equipment Manufacturer of EV (OEM-EV)
- Any other entity has third priority

(C) For non-metered residential EV charging, the electric utility is eligible to generate incremental credits for supplying low-CI electricity to the EVs in its service territory.

(b) Oregon

(i) Electric utility or its designee: Base and incremental credit

(ii) Backstop and Incremental Aggregators: Base credit by backstop aggregator, and incremental credit by incremental aggregator

(c) What should be in Washington?

(i) Base credit – electric utility or its designee

(ii) Incremental credit

(A) Only metered or non-metered?

(B) Shared between electric utility and electric vehicle manufacturers?

- If to be shared, how to distribute it?
- Contribution in GHG and conventional air pollutants emission reduction through acceleration of electrification of transportation?
- Where in the supply chain need incentive to accelerate GHGs and conventional air pollutants reduction through electrification of transportation?

(iii) Backstop and incremental aggregators –unclaimed credits?

(8) Backstop aggregator. Text to be prepared

(9) Incremental Aggregator. Text to be prepared

## **Sections reviewed at the January 27, 2022 Stakeholder Meeting**

### **WAC 173-424-REG Registration**

#### **(1) Registration in Washington Fuels Reporting System**

- (a) **Eligibility.** The following entities must apply to register in a format specified by Ecology to participate in the Washington Clean Fuel Program as:
- (i) A fuel reporting entity,
  - (ii) An entity opting into the CFP, or
  - (iii) An aggregator or a credit aggregator
- (b) **Required information.** To register in Washington Fuels Reporting System the following information must be included in a registration application for Ecology approval:
- (i) Organization identification, including Federal Employer Identification Number (FEIN), EPA RFS identification number (if available), physical and mailing addresses, state and county.
  - (ii) The applicant for registration must state the basis for qualifying for an account pursuant to subsection (a) above. The letter:
    - (A) Must be on the organization letterhead.
    - (B) Must be signed by the company owner, a president, a managing partner, or a corporate officer.
    - (C) Must designate the primary account representative and alternative account representative, including their titles, relationship to the organization, phones and e-mail addresses.
    - (D) Must be uploaded in the WA-FRS to complete the registration application process.
    - (E) Must retain the original document for the duration of an account representative.
  - (iii) The category of each transportation fuel that the company or organization will be producing, importing, or dispensing for use in Washington.

- (iv) A list of all related entities for the registrant, and any registered parties that share common ownership or control.
- (v) Registrants that are dispensing natural gas, propane, or hydrogen must
  - (A) Provide a written contractual agreement demonstrating it acquired the designation of the first fuel reporting entity status;
  - (B) Provide the number of dispensing facilities located in Washington, their locations, the estimated annual fuel throughput per location, and the unique identifier associated with the fuel dispensing equipment in the organization's fuel or financial accounting or utility meter;
- (vi) Registrants that are charging electric vehicles must:
  - (A) Provide a written contractual agreement demonstrating it acquired the designation of the first fuel reporting entity status;
  - (B) For non-residential EV charging for on-road application, fuel reporting entities must provide the number of chargers located in Washington, their locations, the estimated annual discharge of electricity per location, the owner of the charging equipment, and the serial number assigned to the charging equipment by the original equipment manufacturer (OEM) and the name of the OEM;
  - (C) For residential metered EV charging, fuel-supplying equipment refers to a piece of equipment or on-vehicle telematics capable of measuring the electricity dispensed for EV charging. Moreover:
    - (I) Fuel reporting entities using off-vehicle meters must provide the serial number assigned to the charging equipment by the OEM, the name of the equipment OEM, and the Vehicle Identification Number (VIN) for the vehicle expected to be charged at the location.

- (II) Fuel reporting entities using vehicle telematics must provide the VIN.
  - (III) EV Charging equipment registration is optional when reporting metered electricity to generate base credits.
  - (IV) Location information and address is not required for residential charging
- (vii) For registrants that are also electric utilities, whether they want to:
  - (A) Aggregate the residential electric charging credits in their service territory; or
  - (B) Designate an aggregator to act on their behalf; and
- (viii) Any other information requested by Ecology related to registration.
- (c) Establishing an account in Washington Fuels Reporting System.**
  - (i) The entity establishes an account in the Washington Fuels Reporting System when Ecology approves the registration application.
  - (ii) Account registration application may be denied based on false, misleading, or missing information.
- (d) Account management roles and duties.**
  - (i) The account representative is responsible for making any changes to the company profile within Washington FRS.
  - (ii) The account representative in Washington FRS may designate users within the company who can access and manage the account.
  - (iii) The account representative in Washington FRS is responsible for meeting the reporting requirements as set forth in WAC 173-424-REP.
- (e) Modifications to the registration in Washington Fuels Reporting System.**
  - (i) The registrant must submit an amended registration to Ecology within 30 days of any change occurring to information described in subsection (2).
  - (ii) Ecology may require a registrant to submit an amended registration based on the new information Ecology receives.

- (iii) If a registrant amends its registration under this section, the registrant must also update the registrant's account in the Washington Fuels Reporting System, as appropriate.
- (f) **Cancellation of the registration in Washington Fuels Reporting System.**
  - (i) An entity that was registered in Washington FRS must cancel its registration if it is:
    - (A) A regulated party that no longer meets the applicability of the program under WAC 173-424-150(1); or
    - (B) A credit generator or aggregator that decides voluntarily to opt-out of the CFP. The credit generator or aggregator must provide to Ecology a 90-day notice of intent to opt out of the CFP and a proposed effective date for the completion of the opt-out process.
  - (ii) A registered entity that is cancelling its registration from Washington FRS under this section must:
    - (A) Submit any outstanding quarterly reports and annual reports.
    - (B) Comply with the program's standards for the annual reports it submits, if it is a regulated party; and
    - (C) Not have any outstanding deficits, if it is credit generator or aggregator.
  - (iii) Any credits that remain in an account of a regulated party, credit generator or aggregator that is cancelling its registrations under this section shall be forfeited and the account in the Washington FRS shall be closed.
  - (iv) Ecology will notify the registrant in writing the cancellation of its registration, once it determines the actions in (a) through (c) are complete.

- (g) **Notification of related entities.** Registered entities must submit to Ecology annually the list of related entities, and any registered entity that share common ownership or control.
- (h) **Registration of fueling supply equipment (FSE).**
  - (i) After establishing an account in the WA-FRS, fuel reporting entities for natural gas, electricity, propane, and hydrogen must register all fueling supply equipment in WA-FRS in a format Ecology provides in the Clean Fuels Program website. Upon FSE registration, the applicant will receive a unique WACFP FSE ID that must be used for reporting fuel transactions in WA-FRS pursuant to the CFP reporting requirements.
  - (ii) General requirements: All FSE registration must include:
    - (A) Federal Employer Identification Number (FEIN) for the entity registering, name of the facility at which FSE is situated, street address, latitude, and longitude of the FSE location.
    - (B) Name and address of the entity that owns the FSE, if different from the entity registering the FSE.
  - (iii) Specific requirements by fuel type:
    - (A) For CNG, FSE refers to a fueling station associated with a utility meter. A CNG station with multiple dispensers is considered a single FSE. Fuel reporting entities for CNG must provide the natural gas utility meter number at the FSE location, name of the utility company, and a copy of the most recent utility bill.
    - (B) For LNG and propane, FSE refers to a fueling station. An LNG or propane station with multiple dispensers is considered a single FSE. Fuel reporting entities for LNG and propane must provide a unique identifier associated with the FSE used for their own fuel accounting or financial accounting or other purposes and copy of invoice or bill of lading for the most recent fuel delivery.

- (C) For non-residential EV charging, FSE refers to each piece of equipment capable of measuring the electricity dispensed for EV charging. Fuel reporting entities for non-residential EV charging for on-road applications must provide the serial number assigned to the FSE by the original equipment manufacturer (OEM) and the name of OEM. If there are multiple FSEs at the same location, each unique piece of equipment must be registered separately.
- (D) For residential metered EV charging, FSE refers to a piece of equipment or on-vehicle telematics capable of measuring the electricity dispensed for EV charging.
- (E) Fuel reporting entities for fixed guideway systems are exempt from the general requirements in (1)(h)(ii) of this section. The WA-RFS will assign FSE IDs for reporting purposes based on the information provided in the WA-RFS account registration form.
- (F) For electric forklifts, eCHE, or eOGV, FSE refers to the facility or location where electricity is dispensed for fueling. If there are multiple FSEs capable of measuring the electricity dispensed at the facility or location, then it is optional to provide serial number assigned to each equipment by the OEM and the name of OEM.
- (G) For eTRU, FSE refers to each eTRU. Fuel reporting entities for eTRU fueling must provide the serial number assigned to the unit by the OEM and the name of the OEM.
- (H) For hydrogen, FSE refers to a fueling station. A hydrogen station with multiple dispensers is considered a single FSE. Fuel reporting entities for hydrogen must provide the station ID assigned by SOSS.
- (I) For transportation applications not covered in (A) through (H) above, FSE refers to a fuel dispenser or a transportation

equipment with the capability to measure the dispensed fuel in that equipment.

(2) **Registration in Washington Alternative Fuel Portal (AFP).** AFP handles the registration of fuel production facilities and opt-in projects. It also supports fuel pathway applications, certifications, and verifications.

(a) **Eligibility.** For a fuel producer who intends to be a fuel pathway applicant or an opt-in project operator can apply to establish an account in the AFP in the Washington Fuels Reporting System.

(b) **Required information.** To establish an account in AFP, an entity must submit Account Administrator Designation application that include the following information:

(i) Organization identification, including Federal Employer Identification Number (FEIN), EPA RFS identification number (if available), physical and mailing addresses, state and county, names of organizational representatives.

(ii) The applicant for registration must state the basis for qualifying for an account pursuant to subsection (a) above. The letter:

(A) Must be on the organization letterhead.

(B) Must be signed by the company owner, a president, a managing partner, or a corporate officer.

(C) Must designate the primary account representative and alternative account representative, including their titles, relationship to the organization, phones and e-mail addresses.

(D) Must be uploaded in the AFP **to** complete the registration application process.

(E) Must retain the original document for the duration of an account representative.

(c) **Account approval.** Ecology will review the registration application for completeness and validity.

- (d) **Establishing an account in AFP.** Upon registration approval by Ecology, the fuel producer must establish an account in the AFP portion of the Washington Fuels Reporting System and comply with the requirements of this Chapter and any conditions placed upon the fuel pathway codes that it holds.
- (e) **Account management roles and duties.**
  - (i) The account representative is responsible for making any changes to the company profile within AFP.
  - (ii) The account representative may designate users within the company who can access and manage the account.
  - (iii) If any information required in (b) of this subsection changes, the entity holding the account must update the account to reflect the changes within 30 calendar days.

#### **WAC 173-424-RK Recordkeeping**

- (1) Record Retention. Any record required to be maintained under this Chapter must be retained for seven (OR-DEQ)/ ten years (CARB).
- (2) Fuel reporting entities, opt-in entities, and aggregators must retain the following records for at least seven/ten years:
  - (a) Product transfer documents as described in section (3);
  - (b) Copies of all data and reports submitted to Ecology;
  - (c) Records related to each fuel transaction;
  - (d) Records used for each credit transaction;
  - (e) Records used for compliance credit and deficit calculations;
  - (f) Records related to obtaining a carbon intensity described in WAC 173-424-OCI;
  - (g) Records used to establish that feedstocks are specified source feedstocks;
  - (h) Records related to third-party verification, if required under WAC 173-424-3PV;
  - (i) Records related to fuel supplying equipment registration, including but not limited to copies of monthly utility bills, Bills of Lading, and other documents used as a proof at the time of fuel supplying equipment registration pursuant to this chapter;
  - (j) Chain of custody evidence for produced fuel imported into Washington;

- (k) Attestations regarding environmental attributes associated with book-and-claim accounting for biomethane used as transportation fuel or for hydrogen production.
- (3) **Documenting fuel transfers reported in Washington Fuel Reporting System.** A fuel transfer document must prominently state the information specified below:
- (a) Transferor Company Name, Address and Contact Information;
  - (b) Recipient Company Name, Address and Contact Information;
  - (c) Transaction Date: Date of Title Transfer for Fuel;
  - (d) Fuel Pathway Code (FPC);
  - (e) Carbon Intensity (CI);
  - (f) Fuel Quantity and Units;
  - (g) A statement identifying whether the LCFS obligation to act as a credit or deficit generator is passed to the recipient; and
  - (h) Fuel production company identification number and facility identification number as registered with RFS program. This does not apply to gasoline, diesel fuel or fossil natural gas.
- (4) For transactions of clear and blended gasoline and diesel below the rack where the fuel is not destined for export, only the records described in subsections (3)(a), (b), (c), (f), and (g) are required to be retained.
- (5) **Documenting Credit Transactions.** Regulated parties, credit generators, and aggregators must retain the following records related to all credit transactions for at least seven (OR-DEQ)/ten (CARB) years:
- (a) The contract under which the credits were transferred;
  - (b) Documentation on any other commodity trades or contracts between the two parties conducting the transfer that are related to the credit transfer in any way; and
  - (c) Any other records relating to the credit transaction, including the records of all related financial transactions.
- (6) **Review.** All data, records, and calculations used by a regulated party, a credit generator, or an aggregator to comply with this chapter subject to inspection and verification by Ecology. Regulated parties, credit generators, and aggregators must provide records retained under

this rule within 60 (OR-DEQ)/20 (CARB) days after the date Ecology requests a review of the records.

- (7) **Initial 2023 Inventory.** All regulated fuels held in bulk storage in the state on January 1, 2023 are subject to the program and must be reported as the initial inventory of fuels by regulated parties.
- (8) **Information exempt from disclosure.** Pursuant to the provisions of the Washington public records law, all information submitted to Ecology is subject to inspection upon request by any person unless such information is determined to be exempt from disclosure under the Washington public records law or other applicable Washington law.
- (9) **Monitoring plan for entities required to validate or verify under WAC 173-424-3PV.**
  - (a) Each entity responsible for obtaining third-party verification of their data under Clean Fuels Program must complete and retain a written monitoring plan for review by a verifier or Ecology.
  - (b) If a fuel production facility is required to complete and maintain a monitoring plan by the California LCFS, the same monitoring plan may be used to meet the requirements of this rule unless there are substantive differences between the two programs' treatment of the fuel production process.
  - (c) A monitoring plan must include the following general items and associated references to more detailed information, as applicable:
    - (i) Information to allow Ecology and the verification team to develop a general understanding of boundaries and operations relevant to the entity, facility, or project, including participation in other markets and other third-party audit programs;
    - (ii) Reference to management policies or practices applicable to reporting pursuant to this chapter, including recordkeeping;
    - (iii) Explanation of the processes and methods used to collect necessary data for reporting pursuant to this chapter;
    - (iv) Explanations and queries of source data to compile summary reports of intermediate and final data necessary for reporting pursuant to this chapter;

- (v) Reference to one or more simplified block diagrams that provide a clear visual representation of the relative locations and positions of measurement devices and sampling locations, as applicable, required for calculating reported data (e.g., temperature, total pressure, LHV or HHV, fuel consumption); the diagram(s) must include storage tanks for raw material, intermediate products, and finished products, fuel sources, combustion units, and production processes, as applicable;
- (vi) Clear identification of all measurement devices supplying data necessary for reporting pursuant to this chapter, including identification of low flow cutoffs as applicable, with descriptions of how data from measurement devices are incorporated into the submitted report;
- (vii) Descriptions of measurement devices used to report CFP data and how acceptable accuracy is demonstrated, e.g., installation, maintenance, and calibration method and frequency for internal meters and financial transaction meters; this provision does not apply to data reported in the Washington Fuels Reporting System for generating credits for EV charging;
- (viii) Description of the procedures and methods that are used for quality assurance, maintenance, and repair of all continuous monitoring systems, flow meters, and other instrumentation used to provide data for CFP reports;
- (ix) Original equipment manufacturer (OEM) documentation or other documentation that identifies instrument accuracy and required maintenance and calibration requirements for all measurement devices used to collect necessary data for reporting pursuant to this chapter;
- (x) The dates of measurement device calibration or inspection, and the dates of the next required calibration or inspection;
- (xi) Requests for postponement of calibrations or inspections of internal meters and subsequent approvals by Ecology. The entity must demonstrate that the accuracy of the measured data will be maintained pursuant to the measurement accuracy requirements of WAC 173-424-OCI;

- (xii) A listing of the equation(s) used to calculate flows in mass, volume, or energy units of measurement, and equations from which any non-measured parameters are obtained, including meter software, and a description of the calculation of weighted average transport distance;
  - (xiii) Identification of job titles and training practices for key personnel involved in CFP data acquisition, monitoring, reporting, and report attestation, including reference to documented training procedures and training materials;
  - (xiv) Records of corrective and subsequent preventative actions taken to address verifier and Ecology findings of past nonconformance and material misstatements;
  - (xv) Log of modifications to a fuel pathway report conducted after attestation in response to review by third-party verifier or Ecology staff;
  - (xvi) Written description of an internal audit program that includes data report review and documents ongoing efforts to improve the entity's CFP reporting practices and procedures, if such an internal audit program exists; and
  - (xvii) Methodology used to allocate the produced fuel quantity to each certified fuel pathway code;
- (d) The monitoring plan related to a fuel pathway carbon intensity or reporting quantities of fuels must also include the following elements specific to fuel pathway carbon intensity calculations and produced quantities of fuels per fuel pathway code:
- (i) Explanation of the processes and methods used to collect necessary data for fuel pathway application and annual fuel pathway reports and all site-specific WA-GREET 3.0 inputs, as well as references to source data;
  - (ii) Description of steps taken and calculations made to aggregate data into reporting categories, for example aggregation of quarterly fuel transactions per fuel pathway code;
  - (iii) Methodology for assigning fuel volumes by fuel pathway code, if not using a method prescribed by Ecology. If using Ecology prescribed methodology, the methodology should be referenced;

- (iv) Methodologies for testing conformance to specifications for feedstocks and produced fuels, particularly describing physical testing standards and processes;
  - (v) Description of procedure taken to ensure measurement devices are performing in accordance with the measurement accuracy requirements of WAC 173-424-OCI;
  - (vi) Methodology for monitoring and calculating weighted average feedstock transport distance and modes, including the specific documentation records that will be collected and retained on an ongoing basis;
  - (vii) Methodology for monitoring and calculating fuel transport distance and modes, including the specific documentation records that will be collected and retained on an ongoing basis;
  - (viii) References to contracts and accounting records that confirm fuel quantities were delivered into Washington for transportation use in carbon intensity determination, and confirm feedstock and finished fuel transportation distance; and
  - (ix) All documentation required pursuant to fuel pathways utilizing a specified source feedstocks to qualify for a reduced carbon intensity; and
- (e) The monitoring plan must also include the following documentation that can be used to justify transaction types reported for fuel in the Washington Fuels Reporting System, including the production amount, sale/purchase agreements and final fuel dispensing records. Such documentation must be specific to quarterly fuel transactions reports for importers of blendstocks, importers of finished fuels, Oregon producers, credit generators, aggregators, and out-of-state producers.

#### **WAC 173-424-QREP Quarterly Reports**

- (1) **Reporting frequency and deadlines.** Except for persons exempt from this requirement under WAC 173-424-100(EXMT), regulated parties, credit generators, and aggregators must submit a quarterly progress report using the Oregon Fuels Reporting System by:
- (a) June 30 — for January through March of each year;
  - (b) September 30 — for April through June of each year;
  - (c) December 31 — for July through September of each year; and

- (d) March 31 — for October through December of each previous year.
- (2) **General reporting requirements for quarterly reports.**
  - (a) Reporters must upload the data for the quarterly reports in the Washington Fuels Reporting System within the first 45 days after the end of the quarter.
  - (b) During the second 45 days, reporters must work with each other to resolve any fuel transaction discrepancies between different reporters' reported transactions.
  - (c) In order to allow for carry-back credits to have been generated only in the applicable years, the Q1 report may not be submitted prior to May 1st.

**WAC 173-424-SRR. Specific Reporting Requirements.**

In addition to all the requirements in WAC 173-424-QREP and AREP

- (1) Quarterly reports must contain the information specified in Table X (Summary Checklist of Quarterly Progress and Annual Compliance Reporting Requirements) under WAC 173-424-TABL for each transportation fuel subject to the CFP.
- (2) **Specific (Quarterly) reporting parameters for natural gas (including CNG, LNG, and L-CNG) used as transportation fuel.** Any registered party must report the following parameters for each fueling facility to which CNG, LNG, L-CNG, is supplied as a transportation fuel:
  - (a) The amount of fuel dispensed must be reported per fuel dispensing equipment, as required for registration in WA-FRS, with a certified fuel pathway code and with transaction type "NGV Fueling."
  - (b) For CNG and L-CNG, the amount of fuel dispensed in Therms at Higher Heating Value per reporting period **separately** for all light/medium (LDV and MDV), heavy-duty vehicles with compression engines (HDV-CIE), and heavy-duty vehicles with spark ignition engines (HDV-SIE).
  - (c) For LNG, the amount of fuel dispensed in gallons per reporting period **separately** for all LDV/MDV, HDV-CIE, and HDV-SIE.
  - (d) For CNG, L-CNG, and LNG, the carbon intensity as listed in Washington Carbon Intensity Lookup Table WAC 173-424-TBLS(4).
  - (e) For biomethane-based CNG, LNG, and L-CNG, the carbon intensity as approved under WAC 173-424-OCI and the EPA production company identification number and facility

identification number. Additionally, the registered party must submit the following attestation at the time of filing the annual report:

“I certify that to the extent that the gas used in the fuel pathway or supplied as transportation fuel is characterized as biomethane, \_\_\_\_\_ (registered party name) owns the exclusive rights to the corresponding environmental attributes.

\_\_\_\_\_ (registered party name) has not sold, transferred, or retired those environmental attributes in any program or jurisdiction other than the federal RFS.

Based on diligent inquiry and review of contracts and attestations from our business partners, I certify under penalty of perjury under the laws of the State of Oregon that no other party has or will sell, transfer, or retire the environmental attributes corresponding to the biomethane for which \_\_\_\_\_ (registered party name) claims credit in the CFP program.”

- (f) The total quantity of fuel, summed across all fuel pathway codes, dispensed for transportation purpose through the fuel supplying equipment during the reporting period.
  - (g) When the vehicle application is unknown, for the purpose of reporting, a fueling event of less than 3,500 MJ (30 gasoline gallon equivalents) of fuel dispensed must be reported as NGV Fueling of LDV/MDV. A fueling event of 3,500 MJ or more must be reported as NGV Fueling of HDV.
- (3) Specific reporting parameters for electricity used as a transportation fuel. For electricity, any registered party must report the following as applicable:
- (a) To claim a carbon intensity other than a statewide or utility-specific mix, or directly connected renewable power under the Lookup Table in WAC 173-424-TBLS, a registered party must:

- (i) Submit documentation that qualifying RECs were retired in the WREGIS or a recognized renewable electricity tracking system for the unique purpose of covering that specific charging at the same time as the submittal of the quarterly report; or
  - (ii) Submit proof of completion of final verification or a validation statement from the Green-e Program for the RECs used in (2)(a)(i) of this section to generate incremental credits. Failure to submit such proof is grounds for Ecology to invalidate any incremental credits issued to the entity under the procedures of WAC 173-424-ASRM; and
  - (iii) Submit documentation at least annually that the electric vehicle chargers are covered by a Utility Renewable Electricity Product or a power purchase agreement that has been approved by Ecology for a carbon intensity. The carbon intensity assigned to the product or agreement can only be used for reporting if the electric vehicle chargers are covered by that same product or agreement for the time period which is being reported;
- (b) For non-metered residential EV charging.
- (i) Within the first 45 days after the end of the quarter, the electric utility must provide to Ecology the Daily Average EV Electricity Use data for the calculation of credits for non-metered charging from the prior quarter. Ecology shall use the method established in WAC 173-424-CCDFP to calculate any credits generated for the quarter and place them into the electric utility's account in WA-FRS; and
  - (ii) The electric utility must provide rate options that encourage off-peak charging and minimize adverse impacts to the electrical grid;
  - (iii) For claiming incremental credit for non-metered residential charging, the electric utility must be able to provide, upon Ecology's request: the VIN for each electric vehicle claimed and evidence of EV vehicle registration and low-carbon electricity supply at the same location.
  - (iv) A non-utility credit generator must use credit proceeds to benefit EV drivers and their customers, and educate them about the benefits of EV transportation

(including environmental benefits and costs of EV charging, or total cost of ownership, as compared to gasoline). The credit generator must include, in their Annual Compliance Report, an itemized summary of efforts and costs associated with meeting these requirements.

- (c) For metered residential EV charging.
  - (i) For generating base credits, the amount of electricity (in kWh) used for residential EV charging per FSE.
  - (ii) For generating incremental credits for low-CI electricity, the amount of electricity (in kWh) used for residential EV charging per FSE using a certified FPC, and the following requirement must be met:
    - (A) Upon Ecology's request, records must be provided that demonstrate an EV is owned or leased by an individual dwelling at the claimed residence; and
    - (B) Only a single entity can generate incremental credits using a low-CI pathway for the same FSE. If two or more entities report for the same FSE to generate incremental credits, no incremental credits will be issued for that FSE.
- (d) For non-residential EV charging. For each public access charging facility, fleet charging facility, workplace private access charging facility, or multi-family dwelling, the amount of electricity dispensed in kilowatt hours to vehicles per FSE;
- (e) For each public transit agency, the amount of electricity dispensed to or consumed by vehicles used for public transportation in kilowatt-hours per FSE. The report must be:
  - (i) Separated by use for light rail, streetcars, aerial trams, or electric transit buses; and
  - (ii) Separated by electricity used in portions of their fixed guideway system placed in service before and after January 1, 2012;
- (f) For entities reporting forklift charging, the amount of electricity dispensed to or consumed by forklifts per FSE. The report must be separated by electricity used to charge forklifts built in or before model year 2015 and electricity used to charge forklifts built in model year 2016 and after. The reporting entity must provide the

number of electric forklifts in the above model year groups (in and pre-2015 versus post-2015).

- (g) For eTRU, eCHE, or eOGV, the amount of electricity dispensed to or consumed by the equipment per FSE.
- (h) For other electric transportation applications, the amount of electricity dispensed to or consumed by the equipment per FSE with transaction type approved by Ecology, as Tier-2 FPW.

**(4) Specific reporting parameters for hydrogen used as a transportation fuel.**

- (a) The quantity (in kg) of hydrogen fuel dispensed per FSE, as required in WA-RFS, and by vehicle weight category: LDV & MDV and HDV.
- (b) For hydrogen fuel cell forklifts, the amount of hydrogen fuel dispensed (in kg) per FSE.
- (c) For hydrogen reported with a pathway that claims carbon intensity reductions for shifts in time of electricity use for electrolytic hydrogen production, the quantity of electricity (in kWh) used to produce hydrogen for each hourly window must be reported with transaction type “FCV Fueling – Smart Electrolysis” and the following requirements must be met:
  - (i) The quantity of electricity used for each hourly window and carbon intensity values using the hourly carbon intensity value of electricity provided in table (hourly CI value of electricity per quarter) under WAC 173-424-LTFP must be reported; and
  - (ii) Upon Ecology’s request, the reporting entity must provide documentation showing the quantity of electricity used during a reporting period broken down by hourly windows.

**(5) Specific reporting parameters for propane.**

- (a) The quantity (in gal) of propane dispensed per FSE
- (b) For renewable propane, the Production Company ID and Facility ID.

**(6) Specific reporting parameters for liquid fuels including gasoline, diesel, diesel fuel blends, alternative fuels, and alternative jet fuel.**

- (a) The right transaction type for each fuel. The transaction type “Production for Import”

is to be reported by out-of-state producers who choose to be the first fuel reporting entity for fuel imported into Washington. The transaction type "Import" is to be reported by non-producers who choose to be the first fuel reporting entity for out-of-state fuel imported into California. The following information are to be reported:

- (i) Except as provided in (ii) below, the volume (in gal) of each blendstock per reporting period aggregated for each distinct carbon intensity value (e.g., X gallons of blendstock with A gCO<sub>2</sub>e/MJ, Y gallons of blendstock with B gCO<sub>2</sub>e/MJ).
  - (ii) A producer of gasoline or diesel fuel must report, for each of its refineries, the MCON or other crude oil name designation, volume (in gal), and Country (or State) of origin for each crude supplied to the refinery during the quarter.
- (b) For renewable hydrocarbon diesel or gasoline co-processed at a petroleum refinery, any registered party must report the following information as applicable:
- (i) If the registered party is also the producer, then Ecology may require the registered party to report the ongoing information required under WAC 173-424-OCI.
  - (ii) If the registered party is not the producer, and the producer has not met its obligations under WAC 173-424-OCI, then Ecology may require the registered party to report the volume of fuel under a temporary fuel pathway code or the fuel pathway code for clear gasoline or diesel, as applicable.
- (c) Temperature correction. All liquid fuel volumes reported in the WA-FRS must be adjusted to the standard temperature conditions of 60 degrees Fahrenheit as follows:
- (i) For ethanol, using the formula:  
Standardized Volume = Actual volume \* ((-0.0006301 \* T) + 1.0378), where standardized volume refers to the volume of ethanol in gallons at 60°F, actual volume refers to the measured volume in gallons, and T refers to the actual temperature of the batch in °F.
  - (ii) For Biodiesel, one of the following two methodologies must be used:
    - (A) Standardized Volume = Actual Volume \* ((-0.00045767 \* T) + 1.02746025), where Standardized Volume refers to the volume in gallons at 60°F, Actual

Volume refers to the measured volume in gallons, and T refers to the actual temperature of the batch in °F; or

- (B) The standardized volume in gallons of biodiesel at 60°F, as calculated using the American Petroleum Institute Refined Products Table 6B, as referenced in ASTM 1250-08.
- (iii) For other liquid fuels, the volume correction to standard conditions must be calculated by the methods described in the American Petroleum Institute Manual of Petroleum Measurement Standards Chapter 11 – Physical Properties Data (May 2004), the ASTM Standard Guide for the Use of Petroleum Measurement Tables (ASTM D1250-08) (Reapproved 2013), or the API Technical Data Book, Petroleum Refining Chapter 6 – Density (April 1997).
- (iv) If a registered party believes the methods in (i) through (iii) are inappropriate, they may request to use a different method and Ecology may approve that method if it finds that it is at least as accurate as the methods in (i) through (iii).
- (d) Reporting Exempt Gallons. When a registered party is reporting that it sold gallons of fuel to exempt fuel users as defined in WAC 173-424-100, the registered party must designate in the transaction description field of the WA-FRS the categories of exempt fuel users to which the registered party delivered fuel and the number of gallons delivered. For blended fuels, all components must be reported as exempt.
- (e) Reporting “Not For Transportation” Gallons. When reporting that fuel was sold as not for transportation in the WA-FRS, the registered party must report in the transaction description field of the WA-FRS which stationary source, or category of stationary fuel combustion, the fuel was sold to and the number of gallons sold. For blended fuels, all components must be reported as not being used for transportation.
- (f) Reporting position holder transactions.
  - (i) Registered parties that are position holders must report fuel sold below the rack.
  - (ii) Registered parties that are position holders that sell fuel to entities not registered in the CFP may aggregate and report those sales in a single transaction using the “Undefined” business partner descriptor.

- (iii) Registered parties that are position holders that sell fuel below the rack for export must identify each recipient of such fuel that is registered in the CFP.
  - (g) Reporting below the rack exports. Purchasers of fuel from a position holder that is directly exported without modification must report such fuel using the “Purchase below the rack for export” transaction category.
- (7) **Annual reporting of electric utility credit revenue.** All electric utilities that receive credits must annually report the following items to Ecology no later than April 30<sup>th</sup>. Failure to file such a report will result in aggregator receiving credits for that utility until the utility files any past-due reports. Each utility must report the following information, for the prior calendar year:
- (a) Total revenue from the sale of base and incremental credits attributable to residential vehicle charging, if applicable in the prior year;
  - (b) Description of spending of the credit revenue, including:
    - (i) A description of the programs or projects that were funded by CFP credit revenue,
    - (ii) The amount spent in each program or project in the prior year,
    - (iii) Description of the group of individuals or listing of organizations that benefited from the programs or projects,
    - (iv) Description of the areas that benefitted from the programs or projects
    - (v) Any other data elements that Ecology may prescribe towards the implementation of RCW 70A.535.080.
- (8) The registered party must maintain a non-negative value for each “fuel pathway code obligated amount” as summed across all quarterly data in the online system.
- (9) **Significant figures.** A regulated entity must report the following quantities as specific below:
- (a) Carbon intensity, expressed to the same number of significant figures in Carbon Intensity of Lookup Table.
  - (b) Credits or deficits, expressed to the nearest whole metric ton CO<sub>2</sub> equivalent;
  - (c) Fuel amounts in units specified in quarterly and annual reports, expressed to the nearest whole unit applicable for that quantity; and

(d) Any other quantity must be expressed to the nearest whole unit applicable for that quantity.

(10) **Correcting a Previously Submitted Report.** Upon discovery of an error, a fuel reporting entity may request to have previously submitted quarterly reports for the current compliance periods reopened for corrective edits and resubmittal by submitting a Correction Request Form online in the WA-FRS. The fuel reporting entity is required to provide justification for the report corrections and indicate the specific corrections to be made to the report. Pursuant to WAC 173-424-GCCD, no credits may be claimed, and no deficits may be eliminated, retroactively for a quarter for which the quarterly reporting deadline has passed. Each submitted request is subject to Ecology review and approval. Permission to correct a report does not preclude enforcement based on misreporting.

#### **WAC 173-424-ACR Annual Compliance Reports**

- (1) Annual compliance reporting deadline.
  - (a) Except as provided in subsection (b), regulated parties, credit generators, and aggregators must use the WA-RFS to submit an annual compliance report to Ecology not later than April 30 for the compliance period ending on December 31 of the previous year.
  - (b) Small importers of finished fuels may submit a supplemental annual report using the WA-FRS, not later than April 30 for the compliance period ending on December 31 of the previous year.
- (2) General reporting requirements for annual compliance reports. Regulated parties, credit generators, and aggregators must submit annual compliance reports that meet, at minimum, the general and specific requirements for quarterly progress reports and include the following information:
  - (a) The total credits and deficits generated by the regulated party, credit generator, or aggregator in the current compliance period, calculated in the WA-FRS as provided in the equations in WAC 173-424-CCDFP;
  - (b) Any credits carried over from the previous compliance period;
  - (c) Any deficits carried over from the previous compliance period;

- (d) The total credits acquired from other regulated parties, credit generators, and aggregators;
  - (e) The total credits sold or transferred; and
  - (f) The total credits retired within the WA-FRS to meet the compliance obligation per WAC 173-424-CCD.
- (3) All pending credit transfers must be completed prior to submittal of the annual compliance report.
- (4) Correcting a previously submitted report. A regulated party, credit generator, or aggregator may ask Ecology to re-open a previously submitted quarterly progress or annual compliance report for corrective edits and re-submittal. The requestor must submit an “Unlock Report Request Form” within the WA-FRS. The requestor is required to provide justification for the report corrections and must indicate the specific corrections to be made to the report. Pursuant to WAC 173-424-GCCD, no credits may be claimed, and no deficits may be eliminated, retroactively for a quarter for which the quarterly reporting deadline has passed. Each submitted request is subject to Ecology review and approval. Ecology approval of a corrected report does not preclude enforcement based on misreporting.

**Table 1. Summary Checklist of Quarterly and Annual Reporting Requirements**

Parameters to report	Gasoline and Diesel Fuel	Ethanol, Biomass based Diesel, Renewable Diesel, Alternative Jet Fuel, Other Alternative Fuels	Natural Gas and Propane	Electricity	Hydrogen
For Quarterly Reporting					
Organization/Company	x	x	x	x	x
Organization FEIN	x	x	x	x	x
Fuel Pathway Code	x	x	x	x	x
Transaction Type	x	x	x	x	x
*Transaction Date	x	x	x	x	x
Business Partner (if applicable)	x	x	x	x	x
Production Company ID and Facility ID	X**	X**	n/a	x	X**
Fuel Supplying Equipment ID	n/a	x	x	x	n/a
Vehicle Identifier (if applicable)	n/a	n/a	x	n/a	n/a
Physical Transport Mode Code (all)	x	x	x	x	x
Aggregated Transaction Indicator (T/F)	x	x	n/a	x	x
Fuel Application/EER	x	x	x	x	x
Amount of each gasoline and diesel blendstock	x	n/a	n/a	n/a	n/a
Amount of each fuel used as gasoline replacement	n/a	x	x	x	x
Amount of each fuel used as diesel fuel replacement	n/a	x	x	x	x
Amount of each fuel used as a jet fuel replacement	n/a	n/a	n/a	n/a	x
MCON or other crude oil name designation, volume (in gal), and country (or state) of origin for each crude supplied to the refinery	x	n/a	n/a	n/a	n/a
Credits/deficits generated	x	x	x	x	x

Parameters to report	Gasoline and Diesel Fuel	Ethanol, Biomass based Diesel, Renewable Diesel, Alternative Jet Fuel, Other Alternative Fuels	Natural Gas and Propane	Electricity	Hydrogen
per quarter (MT)					
For Annual Compliance Reporting (in addition to the items above)					
***Credits/deficits generated per year (MT)	x	x	x	x	x
***Credits/deficits carried over from the previous year (MT), if any	x	x	x	x	x
***Credits acquired from another entity (MT), if any	x	x	x	x	x
***Credits sold from another entity (MT), if any	x	x	x	x	x
***Credits pledged for sale into CCM from another entity (MT), if any	x	x	x	x	x
***Credits retired within CFP (MT) to meet compliance obligation, if any	x	x	x	x	x
MCON or other crude oil name designation, volume (in gal), and country (or state) of origin for each crude supplied to the refinery.	x	n/a	n/a	n/a	n/a
<p>* Same as Title Transfer Date; For Aggregated Transactions enter the last day of the reporting period.</p> <p>** Does not apply to CARBOB, Diesel Fuel, Fossil Propane, or Fossil NG.</p> <p>*** Value will be calculated, stored and displayed in the WA-FRS.</p>					

**WAC 173-424-ASRM Authority to Suspend, Revoke, or Modify**

- (1) If Ecology determines that any basis for invalidation set forth in section (2) below has occurred, in addition to taking any other authorized enforcement action, Ecology may take any of the actions described in (a) through (d) of this subsection. For the purposes of this

section an approved carbon intensity refers both to carbon intensities approved by Ecology under WAC 173-424-OCI and under WAC 173-424-CI(FPW).

- (a) Suspend, restrict, modify, or revoke an account in the WA-RFS, or take one combination of two or more such actions;
  - (b) Modify or delete an approved carbon intensity;
  - (c) Restrict, suspend, or invalidate credits; or
  - (d) Recalculate the deficits in a regulated party's WA-RFS account.
- (2) Ecology may take any of the actions described in section (1) based on any of the following:
- (a) Any of the information used to generate or support the approved carbon intensity was incorrect, including if material information was omitted or the process changed following the submission of the carbon intensity application;
  - (b) Any material information submitted in connection with the approved carbon intensity or a credit transaction was incorrect;
  - (c) Fuel reported under a given pathway was produced or transported in a manner that varies in any way from the methods set forth in any corresponding pathway application documents submitted under WAC 173-424-CI and WAC 173-424-OCI such that the variance would meet the threshold to be material information;
  - (d) Fuel transaction data or other data reported into the WA-RFS and used to calculate credits and deficits was incorrect or omitted material information;
  - (e) Credits or deficits were generated or transferred in violation of any provision of this Chapter or in violation of other laws, statutes, or regulations;
  - (f) A party obligated to provide records under this chapter refused to provide such records or failed to do so within the required timeframe for documenting credit transactions under WAC 173-424-RECK;
  - (g) Failure to submit a verification statement when it is required under the CFP; or
  - (h) An adverse verification statement submitted under the CFP.

- (3) Providing Notice of an Initial Determination.
- (a) Upon making an initial determination that a credit calculation, deficit calculation, or an approved carbon intensity may be subject to an action described in section (1), Ecology will notify all potentially affected parties.
  - (b) The notice shall state the reason for the initial determination and may also include a specific request from any party for information relevant to any of the bases described in subsection (2) of this section.
  - (c) Within 20 days of the issuance of the notice, the affected parties shall make records and personnel available to Ecology as it conducts its investigation.
  - (d) Any party receiving the notice may submit any information it believes is relevant to the investigation and that it wants Ecology to consider in its evaluation. Within 20 (CARB)/60(OR-DEQ)/(X) (Ecology) days of any such request, a regulated entity shall make records and personnel available to assist Ecology in determining the validity of the credit, deficit calculation, or Certified CI.
- (4) Interim Account Suspension. Once a notice has been issued based on initial determination under section (3), Ecology may immediately take one or both of the following actions:
- (a) Deactivate an approved carbon intensity in the AFP; or
  - (b) Suspend an account in the WA-FRS. In cases where a discrete number of credits are being investigated, Ecology may place an administrative hold on a specific number of credits rather than suspending an entire account.
- (5) Final Determination. Within 50 days after making an initial determination under sections (2) and (3) above, the Ecology shall make a final determination based on the available information.
- (a) The final determination should include:
    - (i) Whether any of the bases for invalidation in section (2) exist;
    - (ii) Identification of the affected parties; and
    - (iii) What actions in section (1) Ecology will impose and how many credits, deficits, or approved carbon intensities are affected. If the final determination invalidates

credits or deficit calculations, the corresponding credits and deficits will be added or subtracted from the appropriate accounts in the WA-FRS.

- (b) The affected parties may contest the final determination by providing Ecology with a written request for a hearing within X days of receipt of the final determination.
  - (c) The hearing will be conducted under Washington laws and rules. Any action taken in subsection (a) will remain in place pending the outcome of the contested case.
- (6) Responsibility for invalidated credits or miscalculated deficits. Any party that generated, previously held, or holds invalidated credits or whose account reflects an invalid deficit calculation is responsible for returning its account to compliance without regard to its fault or role with respect to the invalidation of the credits or miscalculation of deficits. The deficit holder has 60 days from the date of the final determination to purchase sufficient credits to eliminate the entire deficit. A return to compliance does not preclude further enforcement actions.

#### **WAC 173-424-PD Public Disclosure**

- (1) List of Ecology-approved registered parties. Ecology will maintain a current list of Ecology-approved registered parties and will make that list publicly available on its website. The list will include, at a minimum, the name of the registered party and whether the registered party is an importer of blendstocks, a large importer of finished fuels, a small importer of finished fuels, a producer, a credit generator, or an aggregator.
- (2) All information submitted as application materials in the WA-RFS that are not identified as trade secrets or confidential business information are subject to public disclosure pursuant to Washington Public Records Act. If Ecology approved the application, the carbon intensity value(s) and its associated fuel pathway code(s) will be posted publicly on the CFP web site and incorporated into the WA-RFS for use by fuel reporting entities.
- (3) Monthly credit trading activity report. Ecology must post on its webpage, by no later than the last day of the month immediately following the month for which the calculation is completed, a credit trading activity report that:
  - (a) Summarizes the aggregate credit transfer information for the:
    - (i) Most recent month,

- (ii) Previous three months,
    - (iii) Previous three quarters, and
    - (iv) Previous compliance periods;
  - (b) Includes, at a minimum
    - (i) The total number of credits transferred,
    - (ii) The number of transfers,
    - (iii) The number of parties making transfers, and
    - (iv) The formula Ecology used to calculate the volume-weighted average price of that month's transfers, exclusive of transactions that fall two standard deviations outside of the mean credit price for the month or that are transferred without a price;
  - (c) Is based on the information submitted into the CFP Online System; and
  - (d) Presents aggregated information on all fuel transacted within the state and does not disclose individual parties' transactions.
- (4) Quarterly data summary. Ecology must post on its webpage at least quarterly:
- (a) An aggregate data summary of credit and deficit generation for the most recent quarter and all prior quarters; and
  - (b) Information on the contribution of credit generation by different fuel types.
- (5) Clean Fuels Program Annual Report. Ecology must post on its webpage by April 15th of each year, the following information from the previous year:
- (a) The average cost or cost-savings per gallon of gasoline, per gallon of diesel, or any other fuel types, and the formulas used to calculate such costs or cost-savings; and
  - (b) The total greenhouse gas emissions reductions.
- (6) Utility Reports. Ecology will post the utility reports it receives under OAR 340-253-0640(9) to its website.

**WAC 173-424-ED Emergency Deferral**

- (1) Emergency deferral due to fuels shortage. Ecology may issue an order declaring an emergency deferral of compliance with the carbon intensity standard during the effective compliance period:

- (a) After Ecology determines, in consultation with the governor's office and the Washington Department of Commerce:
- (i) Extreme and unusual circumstances exist that prevent the **distribution of an adequate supply of renewable fuels** needed for regulated parties to comply with the clean fuels program taking into consideration all available methods of obtaining sufficient credits to comply with the standard;
  - (ii) The extreme and unusual circumstances are the result of a natural disaster, an act of God, a significant supply chain disruption or production facility equipment failure, or another event that could **not reasonably have been foreseen or prevented and not the lack of prudent planning on the part of the suppliers of the fuels** to the state; and
  - (iii) **It is in the public interest to grant the deferral** such as when a deferral is necessary to meet projected temporary shortfalls in the supply of the renewable fuel in the state and that other methods of obtaining compliance credits are unavailable to compensate for the shortage of renewable fuel supply.
- (b) To determine the extent of the fuel shortage and the amount of the fuel needed for regulated parties to comply with that year's standard, Ecology will consider the following:
- (i) The volume and carbon intensity of the fuel determined to be not available under subsection (1)(a);
  - (ii) The estimated duration of the shortage; and
  - (iii) Whether there are any options that could mitigate the shortage including but not limited to:
    - (A) The same fuel from other sources;
    - (B) Substitutes for the affected fuel and the carbon intensities of those substitutes are available; or
    - (C) Banked clean fuel credits are available.
- (c) In addition to the determination in (1)(a) of this section, such a temporary and extremely unusual deferral is allowed only if:

- (i) The deferral applies only for the shortest time necessary to address the extreme and unusual circumstances;
  - (ii) The deferral is effective for the shortest practicable time period Ecology determines necessary to permit the correction of the extreme and unusual circumstances; and
  - (iii) Ecology has given public notice of a proposed deferral.
- (d) No later than 15 calendar days after the date that Ecology determines to issue emergency deferral according to (1)(a) of this section.
- (2) Content of an emergency deferral order: An order declaring an emergency deferral under this section must set forth:
- (a) The duration of the emergency deferral;
  - (b) The types of fuel to which the emergency deferral applies;
  - (c) Which of the following methods the department has selected for deferring compliance with the clean fuels program during the emergency deferral:
    - (i) Temporarily adjusting the scheduled applicable carbon intensity standard to a standard identified in the order that better reflects the availability of credits during the emergency deferral and requiring regulated parties to comply with the temporary standard;
    - (ii) Allowing for the carryover of deficits accrued during the emergency deferral into the next compliance period without penalty; or
    - (iii) Suspending deficit accrual during the emergency deferral period.
- (3) Termination of emergency deferral. An emergency deferral may be terminated prior to the expiration date:
- (a) If new information becomes available indicating that the shortage that provided the basis for the emergency deferral has ended.
  - (b) After Ecology consults with the department of commerce and the governor's office in making an early termination decision.
  - (c) Termination of an emergency deferral is effective 15 calendar days after the date that the order declaring the termination is adopted.

- (4) In addition to the emergency deferral specified in subsection (1) of this section, Ecology may issue a full or partial deferral for one calendar quarter of a person's obligation to furnish credits for compliance under the following conditions.
- (a) If Ecology finds that the person is unable to comply with the requirements of this chapter due to reasons beyond the person's reasonable control.
  - (b) Such deferral may be initiated by Ecology at its own discretion or at the request of a person regulated under this chapter.
  - (c) In making decision to issue a deferral under this subsection, Ecology may consider the results of the fuel supply forecast in WAC 173-424-FSF, but is not bound in its decision-making discretion by the results of the forecast.
  - (d) Ecology may renew issued deferrals under this section.
  - (e) If Ecology issues a deferral pursuant to this subsection, it may require the person subject to the deferral to:
    - (i) File a progress report on achieving full compliance with the requirements of this chapter within an amount of time determined to be reasonable by the department; and
    - (ii) Take specific actions to achieve full compliance with the requirements of this chapter.
  - (f) The issuance of a deferral under this subsection does not permanently relieve the deferral recipient of the obligation to comply with the requirements of this chapter.

#### **WAC 173-424-FSFD Forecast Deferral**

- (1) **Conditions and deadline for forecast deferral.** No later than December 1, Ecology shall issue an order declaring a forecast deferral for the following compliance period if:
- (a) Ecology receives a fuel supply forecast for the following compliance period by October 2; and
  - (b) The forecast projects that the amount of credits that will be available during the forecast compliance period will be less than 100 percent of the credits projected to be necessary for regulated parties to comply with the carbon intensity standard.
- (2) **Forecast deferral content:** The forecast deferral order that Ecology issue must set forth:

- (a) The duration of the forecast deferral, which may not be less than one calendar quarter or longer than one compliance period;
  - (b) The types of fuel to which the forecast deferral applies; and
  - (c) Methods for deferring compliance with the carbon intensity standard during the forecasted deferral out of the following:
    - (i) Temporarily adjusting the scheduled applicable clean fuel standard to a standard identified that better reflects the forecast availability of credits during the forecast compliance period and requiring regulated parties to comply with the temporary standard;
    - (ii) Requiring regulated parties to comply only with the clean fuel standard applicable during the compliance period prior to the forecast compliance period; or
    - (iii) Suspending deficit accrual for part or all of the forecast deferral period.
- (3) **Other or additional method of deferring compliance with the carbon intensity standard:**
- (a) Ecology may take an action for deferring compliance other than, or in addition to, the method listed in (2)(c) of this section provided that Ecology determines that none of the methods under subsection (2)(c) of this section will provide a sufficient mechanism for containing the costs of compliance with the carbon intensity standard during the forecast deferral.
  - (b) If Ecology makes the determination specified in (a) of this subsection, Ecology shall:
    - (i) Include in such order Ecology's determination and the action to be taken; and
    - (ii) Provide written notification and justification of the determination and the action to:
      - (A) The Governor;
      - (B) The President of the Senate;
      - (C) The Speaker of the House of Representatives;
      - (D) The majority and minority leaders of the Senate; and
      - (E) The majority and minority leaders of the House of Representatives.
- (4) **Terminating a forecast deferral.** The EQC may terminate, by order, a forecast deferral before the expiration date of the forecast deferral. Termination is effective on the first day

of the next calendar quarter after the date that the order declaring the termination is adopted.