

CFS Draft Rule – Changes Summary

This document contains a summary of proposed changes to the current rule and is meant to supplement the full draft rule language text. Some minor spelling and formatting corrections are not included on this list.

Part 1 – Overview

Section	Change	Reason for Change
173-424-110(34) and Abbreviations, as well as other sections of the chapter utilizing the term.	Revised “clean fuel standard” and “low carbon fuel standard” to “carbon intensity standard”.	This definition is specific to the annual average carbon intensity benchmarks provided in WAC 173-424-900 Tables 1 and 2 for gasoline, diesel, and their substitutes. The revision is intended to reduce overlapping terminology and differentiate between the annual benchmarks and Washington’s clean fuels program (commonly referred to as the Clean Fuel Standard, or CFS) as a whole.
173-424-110(129)	Revised the definition of “renewable naphtha”.	Aligns with updated definition in CARB LCFS proposed rule language and adds additional detail.
173-424-110(133)	Removed definition of “small importer of finished fuels”.	This definition was originally added in error, as Washington does not have a small importers provision.
173-424-110(145)(a)	"Produced in Washington" revised to "Production in Washington"	All three of these changes are made to align our rule language with the terminology used in WFRS.
173-424-110(145)(c)	Revised to “import outside of the bulk system”.	
173-424-110(145)(d-g)	Added "transfer" to terms defined in this section.	
173-424-110(145)(i)	Removed definition of "position holder sale with obligation".	Our rule does not allow obligation to be passed below the rack unless it is for a fuel export.
173-424-110(145)(k)	Amended “export” to “export out of WA distribution system”.	Clarity, as this section deals with Washington exports only.

173-424-110(145)(p) through (t)	Added several new transaction types.	Consistency with WFRS transaction types. Definitions consistent with CARB's LCFS regulation.
173-424-110(145)(w)	Corrected casing and removed "racing activity vehicles" as an exempt fuel use.	Race vehicles are not included as an exempt fuel use under WAC 173-424-130(2).
173-424-110(y)	Amended "Production for Import into Washington" to "Production for Import".	Reduces redundancy. The definition already specifies that it applies to fuels imported into Washington.
173-424-110(157)	Added information about emission factors to "WA-GREET" definition.	Provides additional context for how WA-GREET is utilized to calculate GHG emissions from fuel pathways.
173-424-110 (160) and (161)	Added definitions for "Shared MHD-HRI refueling station" and "Shared MHD-FCI charging site".	These additions are necessary to expand ZEV capacity credit availability to sites that are accessible to multiple medium- and heavy-duty vehicle fleets, but are not otherwise "open to the public". Both definitions are referenced in the amended rule text under 173-424-560.
173-424-110 (162)	Added definition for "total obligated amount (TOA)".	Added for clarity and in response to questions about how this term is used.
173-424-110(163).	Added definition of "book-and-claim accounting".	Clarity, and in anticipation of future amendments to Part 6 (Obtaining Carbon Intensity Values for Fuel Pathways). Definition aligns with rule text for the OR-DEQ CFP.
173-424-110 (Abbreviations).	Added "CFS" (for Clean Fuel Standard) as an abbreviated term for Washington's clean fuels program.	Aligns with how the term has commonly been used throughout program implementation and other Ecology communications and reduces confusion by differentiating Washington's program from Oregon's (which also uses the acronym CFP).
173-424-120(2)(j) and (k)	Added "renewable naphtha" and "renewable gasoline" to list of regulated fuels.	Added because they are mainly used to produce other regulated fuels, i.e. gasoline and diesel.

173-424-130(1)	Amended this section to clarify applicability of fuel exemptions.	Makes clear that the quantity threshold for a fuel type's exemption from the CFS is based on the total amount of that fuel supplied to Washington annually, rather than the volume of an individual supplier.
173-424-130(3)(b)	Amended section to clarify that the individual reporting a fuel exemption in WFRS is responsible for the report's accuracy.	After an exempt use transaction is reported, the fuel is often subject to additional transfers before reaching its end user. This enhances accuracy of data reported in the CFS by establishing the reporter's responsibility for verifying that the fuel meets the exemption criteria under this section, even if they are not the end user of the fuel.
173-424-140(2)(b)	Amended opt-in procedure criteria to add option to designate a credit aggregator.	Aligns rule language with program implementation procedures and instructions provided to participating entities.
173-424-140(3)(b)(iv)	Added requirement for aggregators to receive confirmation from Ecology that an aggregator withdrawal has been processed.	This is a minor change to improve accuracy of invoicing and credit generation by ensuring that FSEs associated with the designator are not active during the compliance period.

Part 2: Designation of Regulated Parties and Credit Generators

Section	Change	Reason for Change
173-424-200(2)(a)(i)	Removed the word "fossil".	Aligns with proposed language in the CARB LCFS and clarifies that these requirements apply to both fossil and alternative fuels.
173-424-200(2)(b)(i)(A)(IV)	Edited language about transferring credit or deficit generator status.	Clarifies that program participants cannot pass obligation across the rack, except for fuel being exported out of Washington.
173-424-200(2)(b)(iii)(B)	Deleting paragraph.	Correcting error. This provision is duplicative with the last line of 173-424-200(2)(b)(iii)(A)
173-424-200(2)(b)(iv)	Amended language about designating fuel exporters.	Simplifies reporting by applying a universal standard that the entity holding the ownership title of the fuel as it leaves Washington is responsible for reporting the export(s).

Part 3 – Registration

Section	Change	Reason for Change
173-424-300(1)(a)(iii)	Removed “and credit aggregators”.	Clarity, as our rule does not distinguish between “aggregators” and “credit aggregators”.
173-424-300(1)(f)	Added a new subsection specifying registration requirements due to a "change of ownership or control" for a registered party.	Added this section to account for situations when a registered party changes ownership. Aligns with OR-DEQ rule under OAR 340-253-0100(10). Specifies registration requirements that were previously unaddressed in rule language.
173-424-300(1)(g)(v)	Added subsection clarifying that deficits constitute regulatory obligations in the event of a registered party’s bankruptcy.	Confirms in rule language that deficits will not be voided upon bankruptcy of the registered party. Aligns with OR-DEQ rule under OAR 340-253-0100 (13).
173-424-300(1)(g)(vi)	Added a subsection regarding WFRS cancellation for inactivity.	Aligns with OR-DEQ rule under OAR 340-253-0100 (14). Improves administration of the program by deregistering inactive entities.
173-424-300(1)(h)(ii)(C)	Added "date equipment became operational" to FSE registration requirements.	Staff needs to confirm that FSE is operational at the time of registration to verify the accuracy of data reports.
173-424-300(1)(h)(iii)(M)	Added provision allowing Ecology to request additional documentation to verify FSE registration.	Added to improve FSE registration process and for Ecology staff to confirm accuracy of submitted information. Based on Oregon CFP and OAR 340-253-0500(5)(c)

Part 4 – Recordkeeping and Reporting

Section	Change	Reason for Change
173-424-400(1)	Added "unless otherwise specified in this chapter" to requirement	Records related to fuel exemptions only need to be retained for 7 years. This language eliminates that inconsistency.

	that CFS records be retained for 10 years.	
173-424-400(1)(i)	Changed "division" to "chapter".	Correcting typo.
173-424-400(2)(a) and subsections	Added instructions and requirements for preparing and submitting product transfer documents.	Aligns with reporting requirements in WFRS and improves accuracy of data submitted in the program, by better gathering information on FPCs as fuel moves around the state.
173-424-410(1)(e)	Added language that quarterly reporting deadlines that fall on weekends and holidays are extended to the next business day.	Clarity.
173-424-420(3)(a) and subsections	Added language clarifying requirements for reporting electricity used as transportation fuel.	Clarifies that electricity must be reported using a utility-specific CI, a directly connected renewable energy source, or renewable usage verified through submitting and retiring RECs. The statewide grid CI cannot be used to report electricity used as a transportation fuel.
173-424-420(3)(b)(iii)	Removed requirement that nonutility credit generators must use revenues from nonmetered charging to promote transportation electrification.	Accuracy. Nonutilities cannot claim nonmetered charging credits, so this subsection is not necessary.
173-424-420(3)(c)(iii)	Changed "nonmetered" to "metered".	Correcting typo.
173-424-420(3)(f) and subsections	Removed option to use estimates (in lieu of metering) for electric forklift charging.	Improves data accuracy and aligns forklift requirements with other electricity fueling uses. With respect to (i), this line is also being removed because it is already mentioned in (f) above.
173-424-420(6)(d)	Changed "designate in the transaction description field of the WFRS" to "use the transaction type(s) in WFRS".	Clarity. More accurately reflects WFRS functionality.
173-424-420(6)(f)(iii)	Removed "that is registered in the CFP".	Clarity, as the recipients may not be registered parties.

173-424-420(10)	Added procedures for making additional edits to a quarterly report after an initial correction request has already been processed.	Improves program administration. Ensures that any corrections submitted are approved and that a justification for the changes is sent to Ecology.
173-424-430(1)(c)	Removed a provision about small importers submitting supplemental reports in WFRS.	Correcting error. Washington does not have a small importers provision.
173-424-430(4)	See edits under 173-424-420(10).	See edits under 173-424-420(10).

Part 5 – Demonstrating Compliance (including ZEV capacity credits)

Section	Change	Reason for Change
173-424-500(4) and (5)	Flipped order of sections dealing with carryback credits and small deficits.	Clarity. Clearer if small and nonsmall deficits are defined in subsequent sections rather than in (4) and (6).
173-424-530(1)(c)(iii)	Added language clarifying that a participating entity cannot transfer credits before it has generated credits or deficits.	This edit more clearly aligns the CFS rule language with both the existing WFRS functionality and the functionality of the CARB LRT and OR-DEQ OFRS. The restriction ensures that CFS market participation is limited to participating entities and that credit transactions are generally performed for compliance purposes.
173-424-530(2)(e) and (f)	Added details about Type 1 and Type 2 credit transfers.	Alignment with WFRS information/functionality. Language and definitions are similar to CARB LCFS and CCR § 95487(b)(1)(B).
173-424-530(5)	Amended “voiding credits” to “voiding credit transfers”.	Clarity/correcting error. This section is about voiding transfers for not completing the required procedures in WFRS and does not pertain to the generation of credits themselves.
173-424-560(1)(a)(i)	Added “or a shared MHD-HRI refueling station” for credit eligibility.	Implements our goal of expanding capacity credit eligibility to shared sites.

173-424-560(a)(vi)(A) and (B)	Amends capacity credit eligibility to 1,200 kg/day for LD and 3,000 kg/day for MHD.	Increased capacity caps to align with CARB LCFS.
173-424-560(1)(c)(ii)(B)(II)	Changes “within 180 days” to “during the quarter”.	This deadline is being shorted from 180 days to quarterly to align with reporting periods and simplify program administration. If the deadline is missed, applicants can apply again in the following quarter.
173-424-560(1)(c)(viii)(A)	Revised "FCI credits" to "HRI credits".	Correcting typo - this section is in reference to hydrogen refueling, not electricity.
173-424-560(1)(c)(v)	Changed “quarter following ecology approval” to “quarter ecology approved”.	Improves efficiency by beginning capacity crediting during the quarter of application approval, not the quarter following.
173-424-560(1)(d)(ii)	Added “with the exception of shared MHD-HRI refueling stations” to the definition of “open to the public”.	Clarity. Shared MHD-HRI refueling stations must meet the definition provided in 173-424-110(160).
173-424-560(1)(d)(vii)	Added “and the estimated potential HRI credits exceed 2.5 percent of deficits in the most recent quarter data is available” as a condition for cancelling applications that have not demonstrated operability.	Simplifies program administration and allows additional flexibility. We plan to only cancel applications if the credit cap will be exceeded; if below the cap, the application will remain in the queue.
173-424-560(1)(f)(iii)	Added requirement to provide updated cost and revenue information to Ecology once per year, following the initial report.	This annual reporting requirement is intended to improve accuracy of credit allocations.
173-424-560(2)(i)(A) and (B)	Added language about MHD-FCI charging sites and differentiating them from LD sites.	Follows our program’s goal of opening capacity credit eligibility to non-public, shared charging depots for MHD ZEVs.
173-424-560(2)(a)(ii)	This change sets hard cap on FCI credits per applicant at 0.5 percent of deficits (or 20% of total FCI credits) and removes the current charging	These changes are intended to ensure multiple entities have access to capacity credits, simplify program administration, and increase flexibility on charging requirements.

	connector/adapter requirements for applicants that exceed that cap.	
173-424-560(2)(a)(ii) (formerly (iii))	Changed application deadline to December 31, 2026, for LD charging sites and December 31, 2029 for MHD sites.	The new cutoff date is intended to shift towards allocating additional funding for MHD charging, which is in greater need of infrastructure investment in Washington.
173-424-560(2)(a)(iv)	Added FSE minimum nameplate power rating of 120kw for MHD.	This is intended to establish a “floor”, similar to LD FCI requirements, while recognizing the diversity of charging needs in the MHD sector.
173-424-560(2)(b)(iv)	Clarified that applicants must submit data on all on-site FSEs that draw from the same power source, not only FSEs that are eligible for capacity credits.	Clarity, as the current rule language does not confirm that non-eligible FSEs must also be reported. This information is necessary for Ecology staff to verify the FCI calculations submitted through WFRS.
173-424-560(2)(b)(v)(A)	Added 10 MW site cap for MHD sites.	The cap is intended to spread credit availability among different entities/sites. Applicants will be able to receive CFS credits for on-site charging beyond this cap, just not capacity credits.
173-424-560(2)(b)(viii)	Added charging capacity equation for MHD sites.	Needed for credit allocation. Equation is identical to CARB’s, except the multiplier for shared and private charging is not included because Ecology is not allowing capacity credits for private charging at this time.
173-424-560(2)(b)(xi)	Added declaration requirement for MHD-FCI charging sites.	Added to ensure that these charging sites meet the definition in the rule, and will always be available to multiple fleets.
173-424-560(2)(c)(iii)(B)(II)	Changes “within 180 days” to “during the quarter”.	This deadline is being shorted from 180 days to quarterly to align with reporting periods and simplify program administration. If the deadline is missed, applicants can apply again in the following quarter.
173-424-560(2)(c)(vi)	Changed “quarter following ecology approval” to “quarter ecology approved”.	Improves efficiency by beginning capacity crediting during the quarter of application approval, not the quarter following.
173-424-560(2)(d)(ii)(A) and (B)	Clarified access requirements for LD and MHD sites.	Confirms that shared sites may have security controls to prevent access by unauthorized vehicles, but must have no obstructions blocking approved MHD fleets from accessing the site.
173-424-560(2)(d)(vii)	Added 24-month application period for MHD and more flexible requirements for operability.	A 24-month period was chosen because MHD sites are generally larger, take longer to permit and build, and have other unique aspects compared to the LD sector. The timeline also aligns with that of HRI, which typically services heavy-

		duty vehicles. Similar to the HRI section, we are also adding language that applications that cannot demonstrate operability within this time frame will only be cancelled if the credit cap has already been exceeded.
173-424-560(2)(d)(viii)	Changed capital expenditure cap to 1.5 times the initial difference reported.	Aligns with CARB proposed rule and improves program administration.
173-424-560(2)(e)	Added 173-424-900 Table 2 (the diesel carbon intensity standard) to the FCI credit calculation formula.	This addition is necessary to allocate FCI credits to MHD sites. The calculation for LD will use Table 1, and MHD will use Table 2.
173-424-560(2)(e)	Corrected reference to EER calculation to from Table 5 to Table 4 of WAC 173-424-900.	Correcting error. Table 5 references indirect land use values, while Table 4 references EERs.
173-424-560(2)(f)(ii)	Added requirement to provide updated cost and revenue information to Ecology once per year, following the initial report.	This annual reporting requirement is intended to improve accuracy of credit allocations.

Part 6 – Obtaining Carbon Intensity Values for Fuel Pathways

TBA. We are still developing rule amendments and plan to release draft language within the next several weeks. More information will be provided at our September 9th and 12th workshops.

Part 7 – Others

Section	Change	Reason for Change
173-424-700(1)(d)	Changed “recalculate the deficits” to “recalculate the credits and/or deficits” in a registered party’s WFRS account.	

173-424-700(3)	Added a subsection listing credit or deficit modifications to be issued by Ecology after identifying illegitimate credits or unclaimed deficits.	The proportion of deficits added or credits removed depends on the number of illegitimate credits or unclaimed deficits reported and the number of erroneous reports made during a rolling 36-month period. Self-reported errors and violations are subject to less stringent modifications than violations identified by Ecology.
173-424-710(1)	Deleting requirement to list registered parties by type on Ecology's website.	Simplifies reporting procedures for Ecology. We have not received public requests for this level of detail to be provided but are open to feedback on what information will be useful moving forward.
173-424-710(5)	Removed requirement for Ecology to issue an annual program report in addition to those required by statute.	Clarity. Starting in 2025, these reports are required by statute under RCW 70A.535.090 and will be partially conducted by a third party.

Part 8 – Validation and Verification

This part of the rule is being entirely rewritten to establish a Washington-specific third-party verification program overseen by Ecology, as specified in our rulemaking announcement (CR-101). New sections are as follows:

Section	Change	Reason for Change
173-424-800	Deleted current requirements and created a section defining terms used for third-party verification.	All rule language currently in Part 8 is superseded by these additional requirements. The definitions section was added here instead of 173-424-110 for clarity, as these terms only apply to 3PV sections and not elsewhere in the chapter, and to avoid further lengthening section 110.
173-424-810	Added general third-party verification requirements.	This section creates applicability requirements for full verification and less intensive verification, establishes a September 15 annual verification deadline, and confirms verifier rotation requirements. The rotation requirements are modelled after offset verification requirements in the Climate Commitment Act adopted rule (WAC 173-446-535(1)) and are similar to those in other jurisdictions.
173-424-820	Establishes verification and validation requirements for	Defines applicability, timelines, standards, and exemptions for different types of CFS reports including fuel pathway applications, annual fuel pathway

	different types of data submitted in the CFS.	reports, quarterly reports, MCON data, and carbon sequestration project reports.
173-424-830	Establishes requirements for specific verification services required under this chapter.	This subsection defines procedures for site visits, sampling plans, data checks and other verification services. Defines criteria for material misstatements, audits, reverification, and similar procedures.
173-424-840	Added procedures for Ecology's approval of verification bodies and verifiers.	Establishes requirements to apply to Ecology and receive approval to work as a verifier. Contains information on application procedures, experience requirements, training required, and similar details. Also includes procedures for modification, suspension, and revocation of Ecology approval.
173-424-850	Added conflict of interest requirements.	Establishes guidelines for self-evaluations and standards for Ecology to deem high, medium, and low potential conflict of interest. Includes information on application and submittal requirements and procedures for monitoring potential future conflicts.

Part 9 – Tables

Section	Change	Reason for Change
Throughout	Edited 2017 baseline carbon intensity values in the footnotes of several tables.	Correcting typos. The 98.85 g/CO ₂ e/MJ value for gasoline is being changed to 98.93, and the 100.02 value for diesel is being updated to 100.11.
Table 1	Changed incorrect second reference to “2027” to “2037”.	Correcting typo.
Table 2	Added energy densities for renewable gasoline and fossil jet fuel.	Clarity.
Table 6	Removed several unused pathway codes that are not in WFRS.	Clarity and alignment with WFRS.
Table 6	Moved pathway code for Washington average grid electricity to Table 10.	Clarity – Washington grid electricity cannot be used to report electricity used as transportation fuel.

Table 6	Added several pathway codes for renewable electricity.	Alignment with WFRS.
Table 7	Removed deactivated pathway codes and added substitute CIs for clear gasoline, clear diesel, and alternative jet fuel.	Clarity and alignment with WFRS. The substitute CI for AJF/SAF is based on that of biodiesel and alternative diesel, as the CIs for these fuels are similar.
Table 8	Updated CI values for multiple temporary fuel pathway codes.	Aligns with changes in CARB's proposed rule; the new values are based on those of approved pathways.
Table 8	Added "Distiller's corn oil" as a feedstock when applicable.	Alignment with CARB.
Table 8	Clarified feedstock information for biomethane pathways and updated CI values.	"Digester" is being removed because these CIs only apply to fuels not contained and managed in a tank. The edits to combine wastewater and landfill gas and lower the CI by 5 points are based on CARB's proposed rule.
Table 8	Updated hydrogen feedstock, process energy, and carbon intensity information, and added details for renewable naphtha and renewable gasoline.	Aligns with updates in CARB's proposed rule.
Table 10	We plan to fully update this section (including adding the statewide grid average) once Commerce releases updated utility CI info later this year.	Current info is outdated.