

NEW SECTION

WAC 173-455-150 Clean fuels program fees. (1) Fee determination. Credit and deficit generators as defined in WAC 173-424-110 must pay an annual fee. Ecology must establish fees based on workload using the process outlined below. The fees must be sufficient to cover ecology's costs to administer the clean fuels program.

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

(3) Ecology identifies deficit and credit generators based on the following:

(a) In 2023, ecology determines deficit and credit generators based on registration information.

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

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

(4) Workload analysis and budget development. Each biennium, ecology, along with the department of commerce, must conduct a workload analysis and develop a budget for administration of the clean fuels program. The workload analysis must project resource requirements for administering the clean fuels program. Ecology must publish the workload analysis and provide an opportunity for public review and comment on the workload analysis. The budget must be based on the resource requirements identified in the workload analysis.

(5) Allocation methodology. Ecology must allocate the clean fuels program budget among credit and deficit generators.

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

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

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

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

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

(ii) The deficit generation fee must equal 95 percent of the annual budget, and ecology must allocate the fee based on the number of deficits generated by an entity as follows:

(A) Category 1 (highest fee): Top 30 percent of deficit generators. Category 1 is 70 percent of the deficit generation fee.

(B) Category 2 (middle fee): Middle 30 percent of deficit generators. Category 2 is 20 percent of the deficit generation fee.

(C) Category 3 (lowest fee): Lower 30 percent of deficit generators. Category 3 is 10 percent of the deficit generation fee.

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

(6) Fee schedule.

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

(i) Post the draft annual budget and estimated fees on ecology's website by February 1, 2023.

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

(iii) Post the final budget and fees by March 15, 2023.

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

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

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

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

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

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

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

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

(7) Fee payments. Fees specified in this section must be paid within 30 calendar days of receipt of ecology's billing statement. All fees collected under this section must be made payable to the Washington department of ecology. Ecology may assess a late fee surcharge of \$50 or 10 percent of the fee, whichever is more, for any fee received after 60 calendar days past the due date for fee payment.

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