



## Cap-and-Invest Fuel Exemptions Workgroup Meeting Summary

Thursday, August 10, 2023 | 9:00 – 11:00 a.m.

Location: Zoom and in-person at Union Gap

### Attendance

- 29 out of the 37 workgroup members attended in-person and virtually.
- 2 Ecology staff attended in person and 4 virtually.

### Welcome and Introductions

- The facilitation team welcomed workgroup members, shared the anti-trust reminder, an overview of the meeting #5 agenda, and the workgroup timeline.

### Review: understanding the issues and challenges

- The facilitation team reviewed the process for workgroup members identifying issues during meetings #1 and #2, and the resulting workgroup meetings to discuss solutions.

### Solutions Update

- The Ecology team shared an update resulting from workgroup input. Ecology translated the exemption certificate for agricultural purposes and maritime fuel users into Spanish. The document will be available digitally soon.

### Moving from issues to solutions

- Part one of the solutions discussion focused on maritime.
- **Issue: Challenges with the combustion of fuel within Washington waters. Discussion questions for this issue:**
  - a. How do maritime fuel users know when they are outside of Washington waters?
  - b. How do maritime fuel users know how much fuel is used for trips accounting for weather and tidal conditions?
  - c. What location information is already documented for tax purposes? How could this information be supplemented to document fuel usage within jurisdictional miles?
  - d. What could Ecology provide fuel suppliers to document exempt fuels combusted outside of Washington waters?
- During part one of the discussion, maritime workgroup members shared they know their location within and outside of Washington jurisdictional waters and have mechanisms to track fuels.
- Part two of the solutions discussion focused on two issues related to how exemptions apply to hauling mixed loads and to fuels not purchased in bulk.
  - Ecology is interpreting mixed loads as loads that contain both agricultural products and non-agricultural products.
  - Non-bulk purchases were clarified as fuel purchased at cardlocks or gas stations for this discussion.
- **Issue: Difficulty determining how to apply exemptions for transport of mixed loads with both exempted and non-exempt products. Discussion questions for this issue:**

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- a. How do haulers track what they are transporting?
  - b. What systems do haulers currently use to track their fuel amounts and uses?
    - i. What information is already being tracked/documented on fuel use?
    - ii. What information are haulers documenting for tax purposes?
    - iii. What information is already being tracked on the (mass/volumes) of products are being hauled on a trip?
    - iv. What information is already being tracked on the length of trips?
  - c. How do you propose to segment a mixed (exempt and non-exempt) load?
    - i. As an individual hauler (trucker; farmer)
    - ii. As a fleet of haulers
    - iii. Others?
  - d. What approaches/actions can be taken by workgroup members and Ecology to make sure that exempt fuel end users know what is exempt fuel use and what is not?
  - e. How can Ecology help you implement the current guidance into your hauling operations?
- **Issue: Difficulty determining how exemptions apply to fuels not purchased in bulk.**  
**Discussion questions for this issue:**
    - a. Have workgroup members had success in buying non-bulk fuels without surcharges?
    - b. What are possible solutions to get fuel without surcharges to exempt fuel users who purchase fuel:
      - i. at cardlocks?
      - ii. at retail stations?
    - c. Are there other purchasing scenarios that exempt fuel users have difficulty purchasing exempt fuels without surcharges?
    - d. What can Ecology do to ensure that end users who qualify for exempt fuels are able to purchase fuels without surcharges?
  - During part two of the discussion, Ecology acknowledged that the issues are challenging and hoped for help in finding solutions. Workgroup members shared methods on how they track what is hauled and shared that product information is available by weight. There were recommendations to allocate fuel for mixed loads proportionally to the weight of the exempt and non-exempt products in the load.
  - One workgroup member shared they will soon start providing a billing credit for exempt fuels at retail stations.

### Next Steps and Action Items

- The next Fuel Exemptions Workgroup meeting will occur on August 24, 2023, 1:00 – 3:00 p.m. in a hybrid format, in-person at Lacey and virtually on Zoom.
- **Action Items:**
  - Ecology will share an updated draft interim guidance to address what constitutes agricultural products for transport.

### Resource and Assistance

- Contact Jihan Grettenberger at [Jihan.Grettenberger@ecy.wa.gov](mailto:Jihan.Grettenberger@ecy.wa.gov) or 360-742-1153
- [Fuel Exemptions Workgroup webpage](#)