

DEPARTMENT OF
ECOLOGY
State of Washington

Clean Fuel Standard Rulemaking

Climate Pollution Reduction Program

March 23, 2026

Ecology staff introductions

- Lauren Sanner – Environmental Planner, CFS Rulemaking Lead
- Abbey Brown – Technical Lead, Clean Fuel Standard
- Rebecca Sears - Greenhouse Gas Inventory & Transportation Section Manager
- Clean Fuel Standard team: Xiao Chen, Owen Collins, Debebe Dererie, Brian Goldgeier, Audrey Stacey
- Cooper Garbe - Planning and Policy Section Manager
- Gopika Patwa – Environmental Planner, Technical Host

Agenda

- 1 Clean Fuel Standard Overview
- 2 House Bill 1409 & Carbon Intensity Reduction Schedule for years 2028 - 2038
- 3 Other topics we'll address or consider
- 4 Rulemaking Process and Timeline
- 5 Next steps and stay involved

Clean Fuel Standard Basics

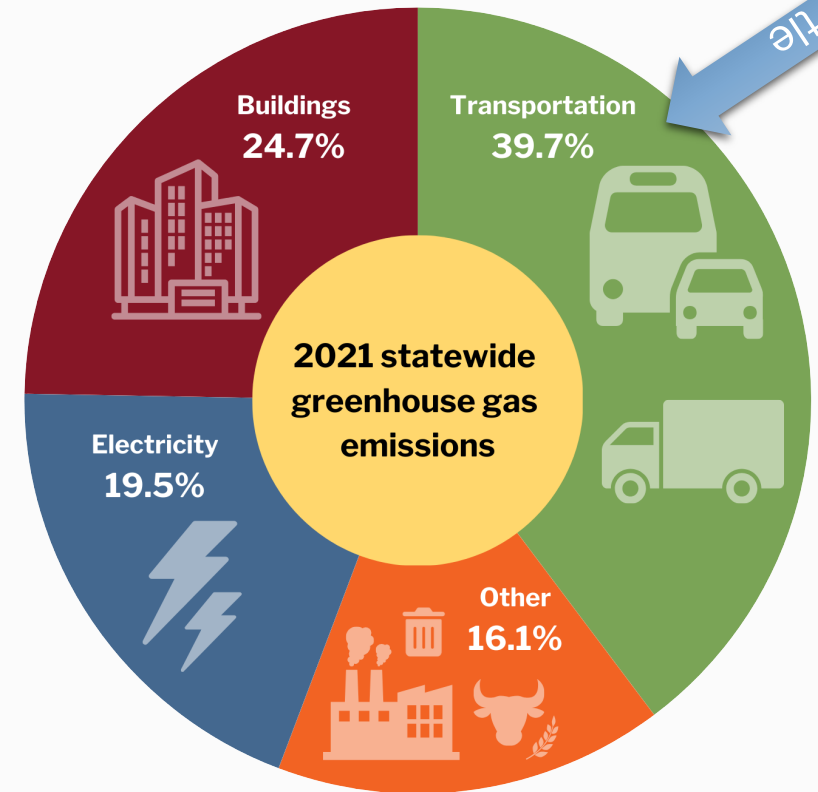
- The Clean Fuel Standard (CFS) was established in 2021 by the state legislature (RCW 70A.535). It is a market-based system to **reduce the carbon intensity (CI) of transportation fuels** used in Washington.
- The program became operational in 2023.
- The CFS works alongside other climate policies to decarbonize the transportation sector and help Washington meet its climate and greenhouse gas reduction goals.



Why is a Clean Fuel Standard needed?

Transportation is Washington's greatest single source of greenhouse gas emissions.

- Transportation is also a major source of air pollution.
- British Columbia, Oregon, California, and New Mexico all have clean fuels policies as well.



The Clean Fuel Standard will spur economic development and increase the availability and affordability of low carbon fuels.

Carbon intensity (CI)

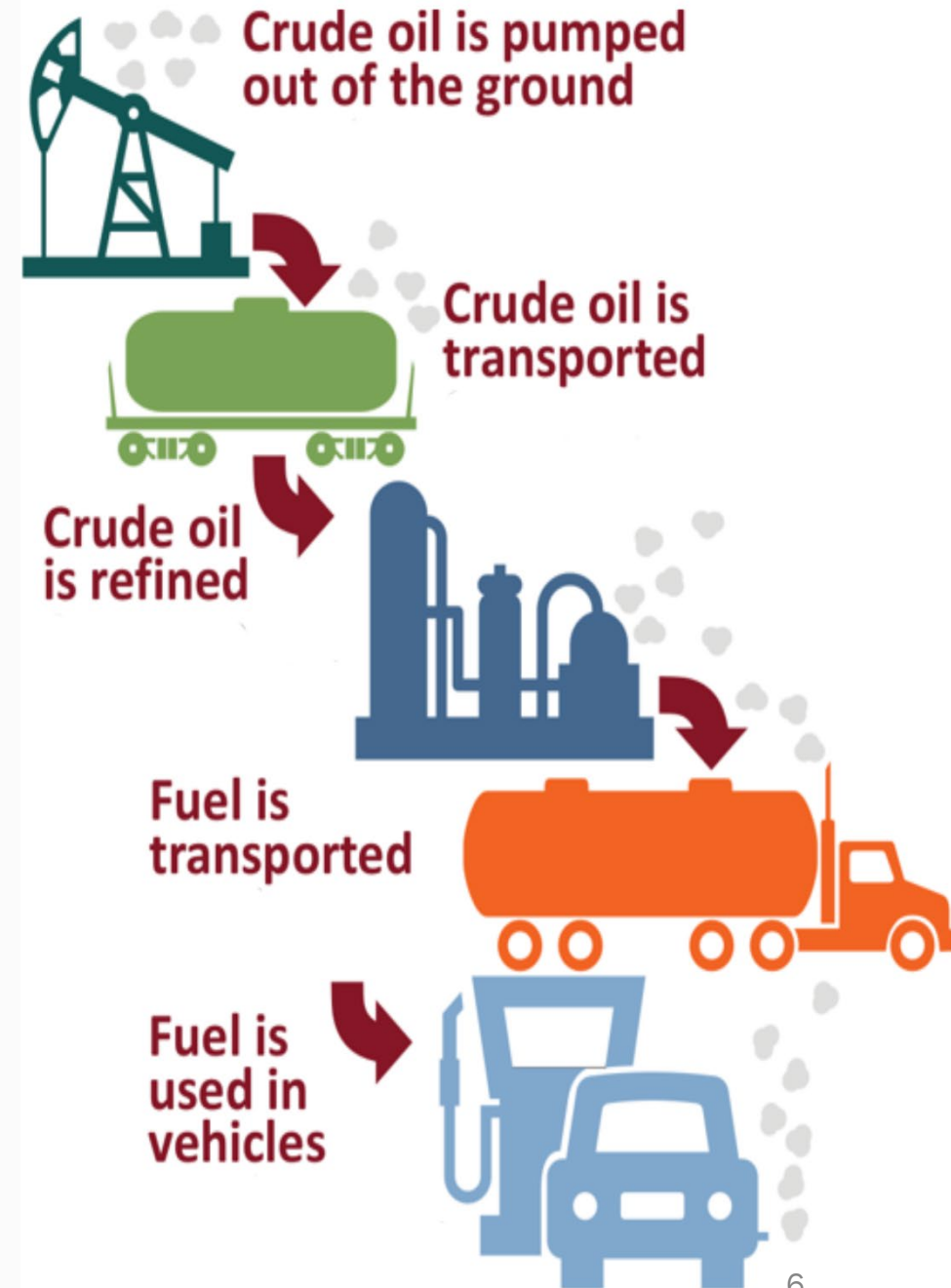
The Clean Fuel Standard accounts for greenhouse gas emissions over the full life cycle of fuel.



Each fuel acquires a certified *fuel pathway* specific to its unique production and supply life cycle.



Each fuel pathway is assigned a *carbon intensity score*.

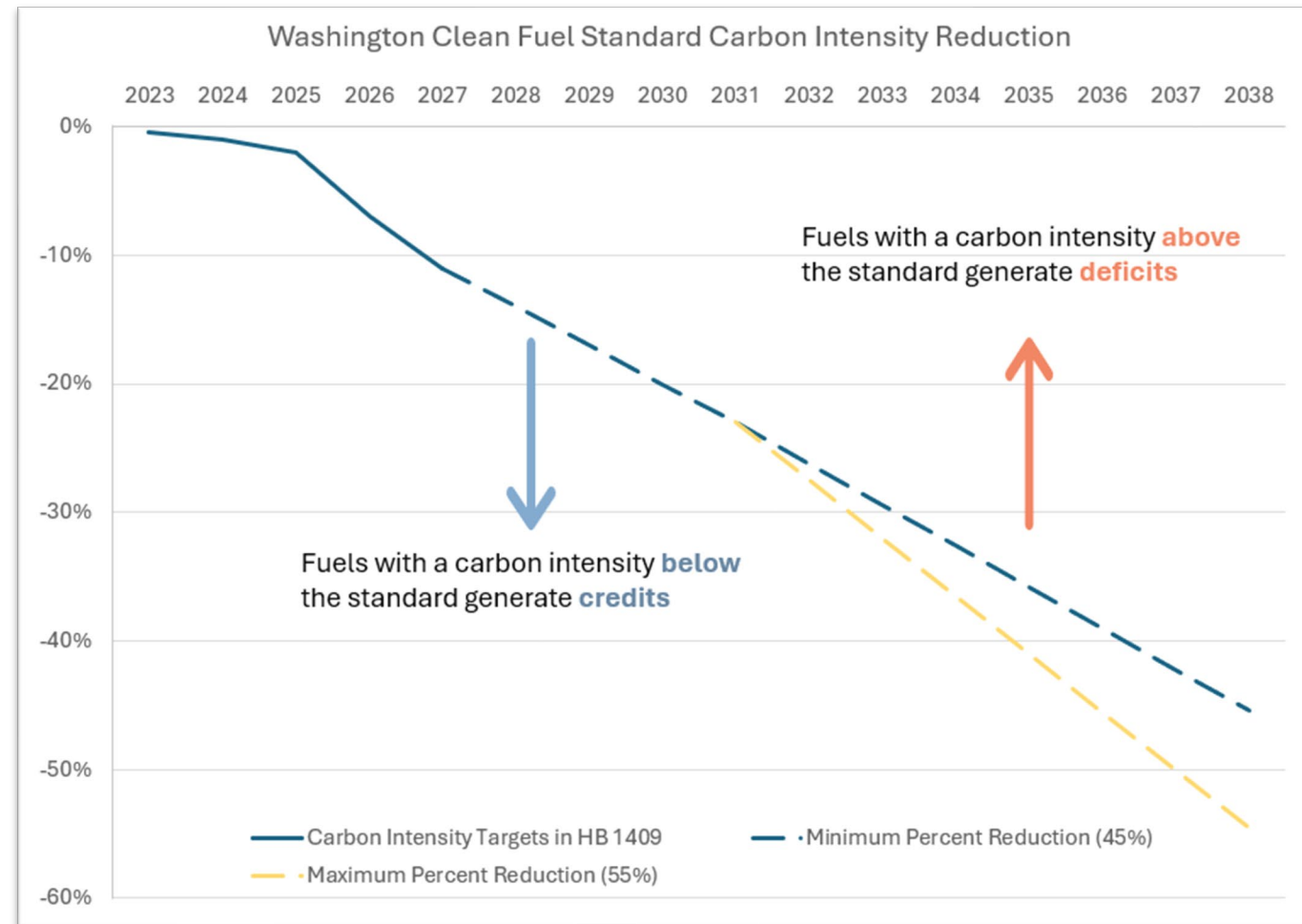


Rulemaking Objectives

- 1) **Implement House Bill 1409:** increases carbon intensity **reduction** target from 20% to 45% by 2038 (2017 baseline)
- 2) Update rule to align with **updated WA-GREET 4.0 model**
- 3) **Improve fee structure** to reduce administrative burden for small businesses to participate and help participants predict annual fees
- 4) **Incentivize transportation electrification**

House Bill 1409

- In 2025, the state legislature passed HB 1409, which established more stringent carbon intensity standards for the CFS.
- HB 1409 sets the carbon intensity standards for 2026/2027 **in statute** (i.e., no rulemaking is necessary or possible for these years).



Carbon Intensity Reduction Schedule for 2028-2038

Statutory Mandate (RCW 70A.535.025): Ecology must set annual CI reduction schedule between **3% and 4% per year between 2028 and 2038**, to meet a cumulative CI reduction of 45%

Ecology has **discretion** to:

- Set exact reduction targets for those years
- Adjust the cumulative carbon intensity reduction goal to 55%, if necessary to achieve statewide GHG emission limit under RCW 70A.45.020.
 - Ecology may only determine if this is necessary in 2030 or after, to take effect no earlier than January 1, 2032.

Transition to WA-GREET 4.0

- Adapt WA-GREET 4.0 based on CARB's CA-GREET 4.0
- Estimate crude oil carbon intensity used for gasoline & diesel
- Update the baseline carbon intensity of gasoline & diesel used in Washington
- Update the annual carbon intensity reduction schedule used in the model
- Update the carbon intensity scores for Lookup & Substitute Pathways
- Adapt CARB's Tier 1 simplified carbon intensity calculator

Timeline for transition to WA-GREET 4.0:

- Start using WA-GREET for pathway applications in 2028
- 2027 AFPR to be submitted using both WA-GREET 3.0 and WA-GREET 4.0

Transportation Electrification & Zero-Emission Vehicles

- Explore additional mechanisms to support transportation electrification in the absence of federal policy or monetary support
- Adjust the Energy Economy Ratio (EER) for electric vehicles based on new data
- Minor adjustments to infrastructure crediting for hydrogen and electricity



Annual participation fee

Current fee structure

- All participants pay 5% of program budget.
- Deficit generators pay additional tiered fee covering 95% of program budget. Tiers are based on number of deficits generated.

Proposed fee structure

- Change fee-setting timeline to better allow for participants to plan
- Adjust tiers for credit and deficit generators to limit impact to small credit & deficit generators
 - Potentially proportional to credit & deficit generation

Topics we will not address in this rulemaking

- Carbon Capture and Sequestration (CCS)
- Avoided methane crediting periods
- Book and Claim requirements for:
 - Electricity
 - Renewable Natural Gas (RNG)

Comment Period Overview

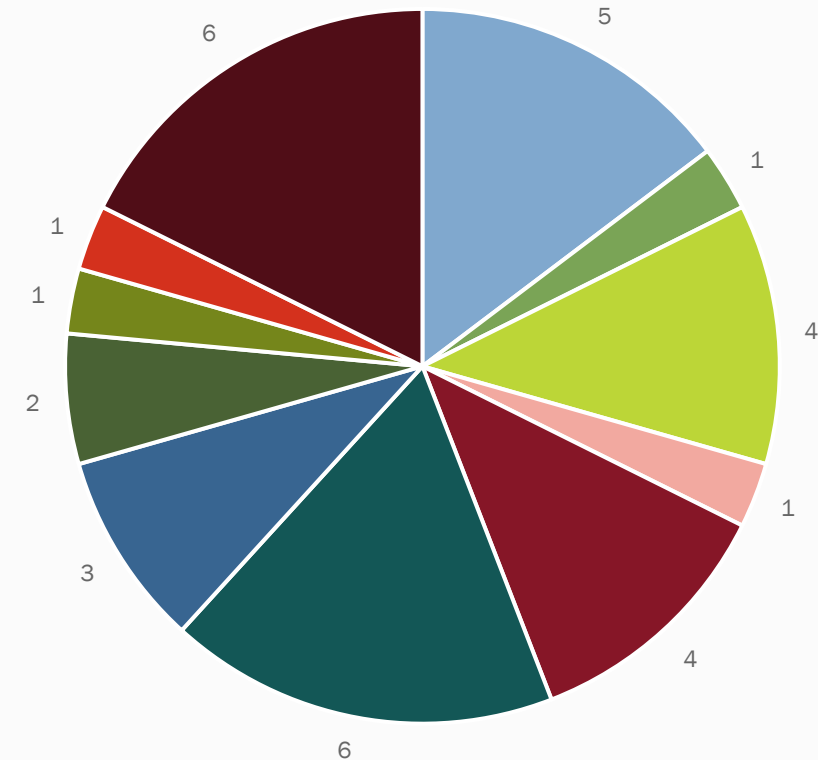
January 20 – March 3, 2026

34 total comments

*2 coalitions, 1 from utilities and 1 from non-profits

Most commented topics: CI reduction schedule, WA-GREET 4.0, EER ratios, iLUC,

Interested Parties by Type



- Individuals
- Petroleum
- RNG
- Gov Agencies
- Electricity Providers
- SAF
- Hydrogen
- Non Profits
- EV Industry
- Biofuels
- Environmental Mgt.

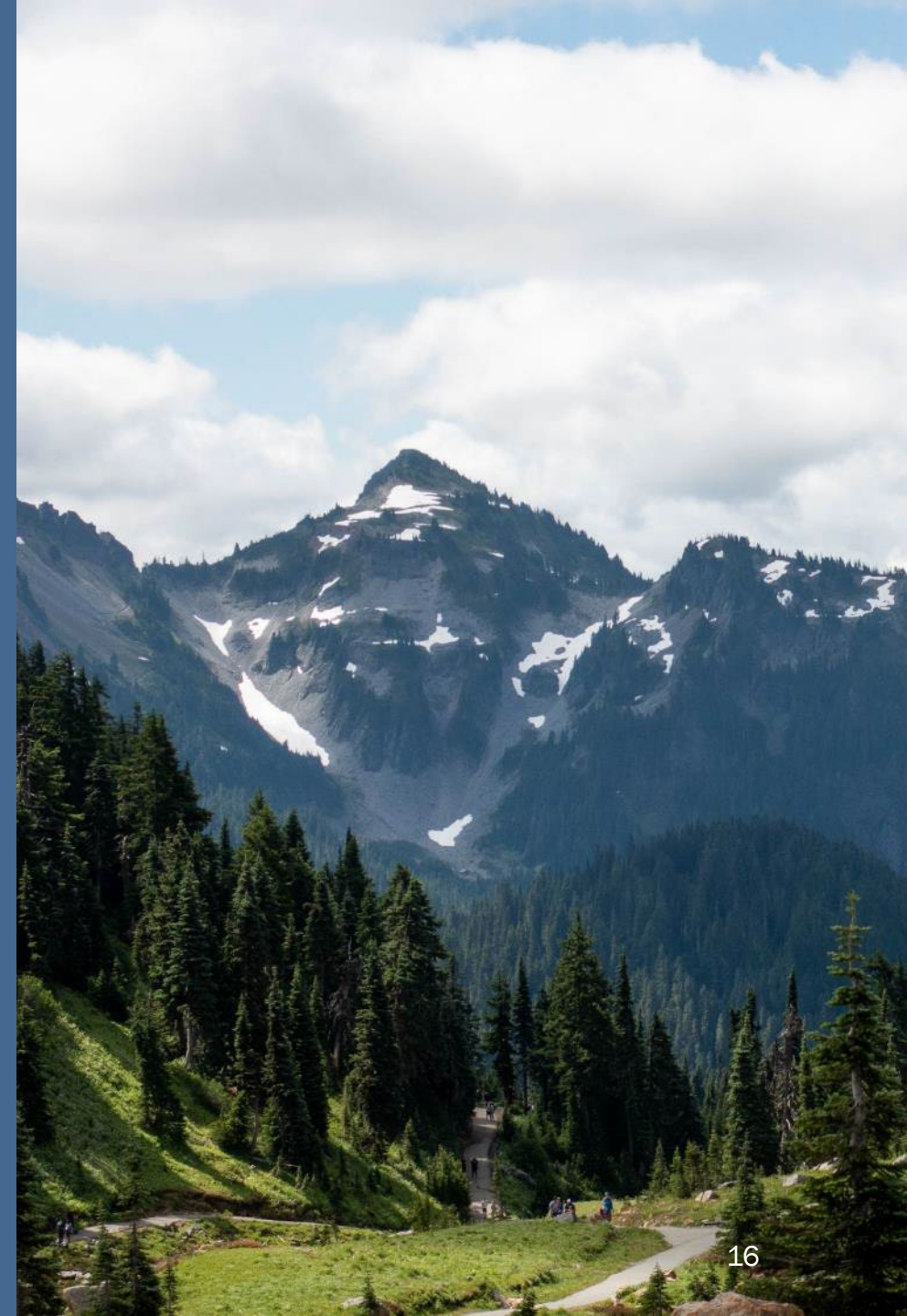
Additional considerations from commenters

These policy areas were raised by commenters and Ecology will consider whether or not it is possible to address these in this rulemaking based on time and resource constraints.

- Inclusion of climate-smart agriculture in carbon intensity accounting
- Change iLUC for biomass-based fuels
- Limit on credit generation for crop-based biofuels
- Inclusion of novel vegetable oil feedstocks



Rulemaking Process & Timeline



Rulemaking terms

Laws (State)

Created by Legislators
Known as Revised Code of
Washington (RCW)

- Clean Fuels Program (Chapter 70A.535 RCW)

Rules

Details how a state agency
will implement a law; a
codified regulation

Known as Washington
Administrative Code (WAC)

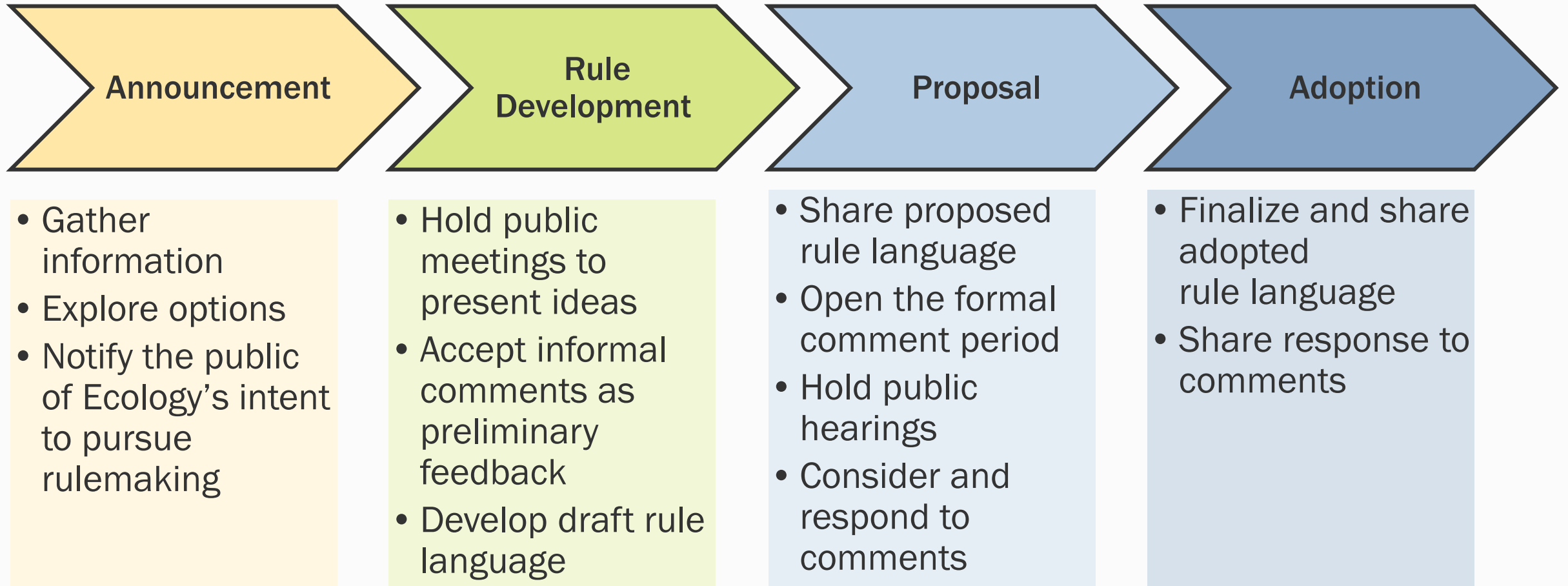
- Clean Fuels Program Rule (Chapter 173-424 WAC)
- Air Quality Fee Rule (Chapter 173-455 WAC)

Rulemaking

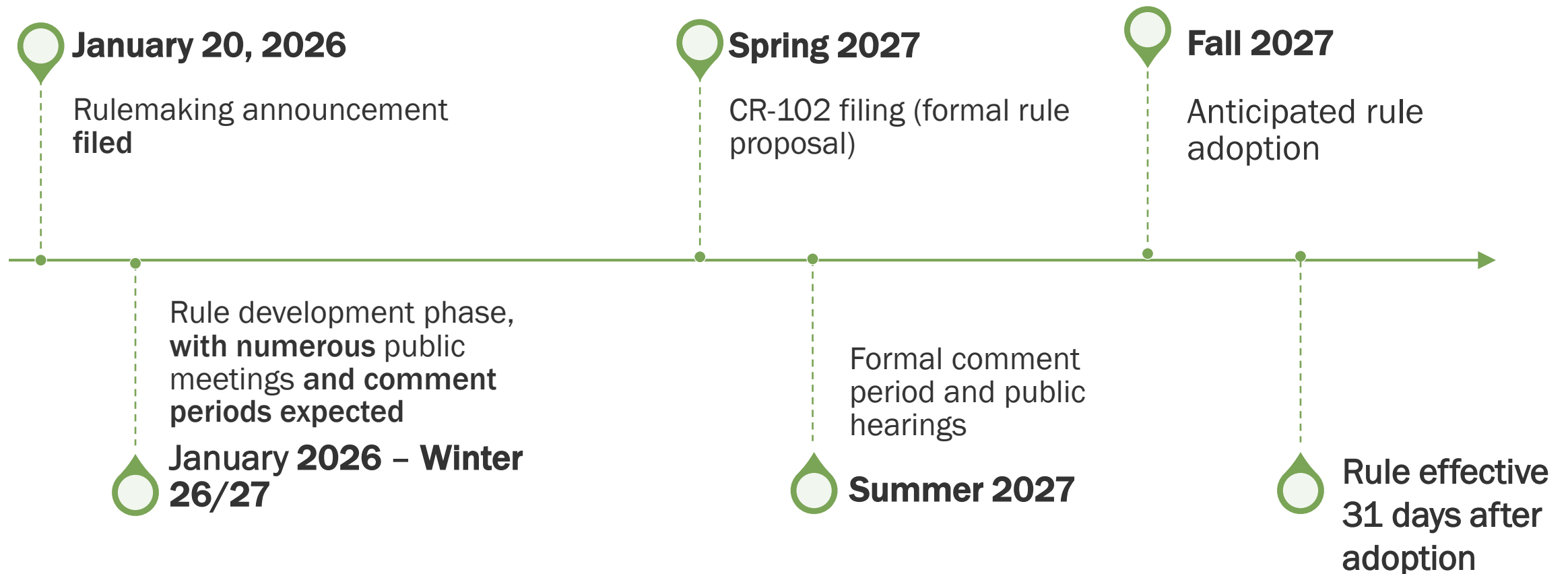
Administrative and public
process for developing and
adopting a rule

- Provide clear and understandable details for law implementation
- Help regulated communities understand requirements and know what to expect

Rulemaking processes



Rulemaking Timeline

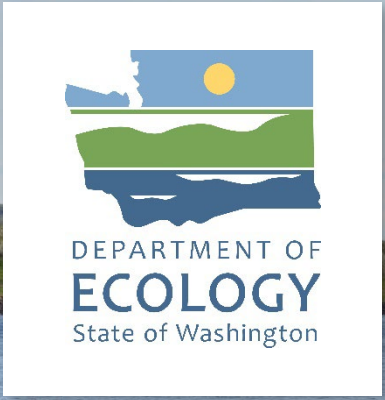


How to Stay Involved

- Sign up for our email list
- Request a one-on-one meeting
- Provide specific rule language recommendations
- Share supplemental data, reports, studies on topics raised during the rulemaking.
- *Tell us what kinds of public engagement you'd like from us (topic focused workshops, comment periods, etc)*

Sign up for our
email list





Thank you!