



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director, Tacoma Public Utilities;
Chris Robinson, Superintendent, Tacoma Power
COPY: Government Performance & Finance Committee (GPFC);
Ray Johnson, Deputy General Manager, Tacoma Power Management;
LaTasha Wortham, Deputy Director Customer Experience and External Affairs, Tacoma Public Utilities;
Kristin Lynett, Manager, Sustainability, Office of Environmental Policy and Sustainability
PRESENTER: Breanna Chance, Power Energy Conservation Analyst, Principal, Tacoma Power Management
Aimee Higby, Power Energy Portfolio Analyst, Principal, Tacoma Power Management
SUBJECT: Clean Fuels Program
DATE: November 21, 2023

PRESENTATION TYPE:

Please select the type of presentation you will be making to the Council Committee.
Informational Briefing

SUMMARY:

This is an informational briefing to provide an overview of the Clean Fuel Program and an update on implementation of the program by General Government and Tacoma Public Utilities.

BACKGROUND:

The Clean Fuel Program is a new program being implemented by the Washington Department of Ecology after it was passed into law by Washington State in 2021 ([70A.535 RCW](#)). The Clean Fuel Program is designed to reduce carbon pollution from transportation fuels, by requiring a 10% reduction in the carbon intensity of transportation fuel by 2031 and a 20% reduction in the carbon intensity by 2038. The Clean Fuel Program creates a market with a financial incentive for low-carbon fuels. High-carbon fuels, such as gasoline or diesel, incur deficits while low-carbon fuels earn credits. The number of credits earned, or deficits awarded are based in part on the carbon intensity of the fuel. Carbon intensities are based on the lifecycle emissions from the fuels.

The Clean Fuel Program is a mandatory program for producers with fuel with carbon intensities that are above the standard set by the law and voluntary for fuel producers with low carbon intensities. The credits that low-carbon fuels generate can be sold to fuel suppliers that have deficits. As an electric utility, Tacoma Power can generate residential base credits, which are based on the number of residential electric vehicles registered with the Department of Licensing in Tacoma Power’s service area. Other departments within Tacoma Public Utilities and the City of Tacoma may be eligible to generate incremental credits. One way to generate incremental credits is to own and operate non-residential electric vehicle charging equipment. Revenues from credit sales can be used for transportation electrification, with specific spending requirements for electric utilities.

ISSUE:

This is an information briefing only.

ALTERNATIVES:



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FISCAL IMPACT:

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RECOMMENDATION:

This is an information briefing only.