

Clean Fuels Program

City of Tacoma and Tacoma Public Utilities

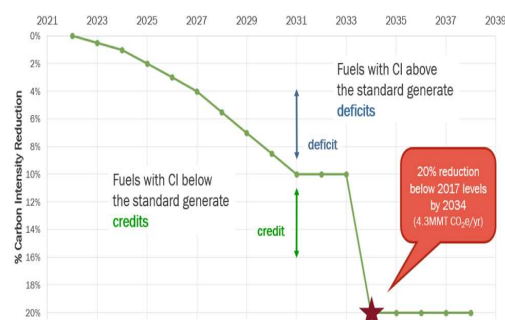
November 21, 2023 | Government Performance and Finance Committee

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What is the Clean Fuel Program?

- WA Clean Fuel Standard ([70A.535 RCW](#), 2021)
- Program to decarbonize fuels produced or sold in WA. Similar programs in CA and OR.
- Credits based on carbon intensity compared to a declining annual standard.
- Credit revenue can be spent on transportation electrification projects, including, installing more EV charging and purchasing electric fleet vehicles



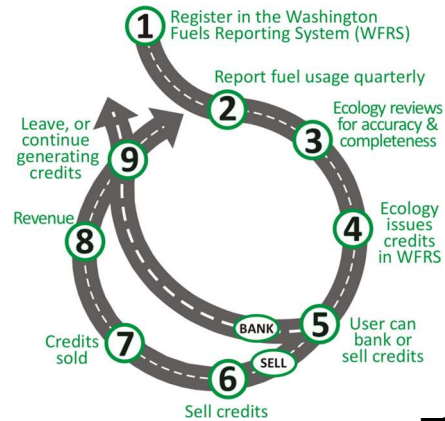
[Clean Fuel Standard - Washington State Department of Ecology](#)

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Registration and credit generation

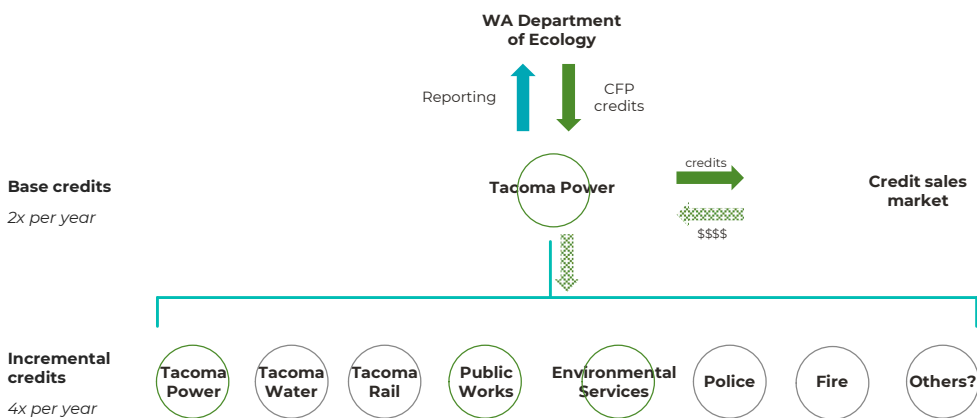
- Registration in the program requires a Federal EIN.
- The City of Tacoma (GG) and Tacoma Public Utilities (TPU) share a single Federal EIN and must register as a single entity.
- Electric utilities receive “base credits” based on residential EV registrations (DOL data) and have obligations for spending revenue.
- TPU and GG can generate “incremental credits”, those available for non-residential EV charging, and compressed natural gas.
- Credits can be banked or sold.



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Reporting and receiving credits

Tacoma Power is coordinating reporting and credit transacting for GG and TPU



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Base credit spending requirements

For electric utilities who generate residential base credits

50% must be spent on transportation electrification projects (which may include H2 and other non-fossil feedstock)

- ✦ 60% of these funds must be spent on projects located within or directly benefitting federally designated nonattainment or maintenance areas or disproportionately impacted communities

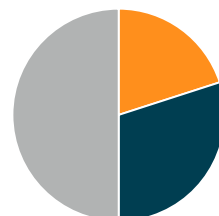
50% must be spent on one or more transportation electrification programs or projects from a list to be developed jointly by Ecology and WSDOT

- ✦ Project list must include, but not limited to:
 - Provision of new or used zero-emission vehicles for the purpose of providing transportation services for low-income or vulnerable populations
 - Charging infrastructure or its construction, operation, or maintenance
 - Expanding grid capacity to enable transportation electrification investments
 - Public-private partnerships to electrify commercial vehicle fleets

Utilities must report CFP revenues and expenditures annually

[RCW 70A.535.080](#)

Electric Utility Base Credit Spending Requirements



- Utility Identified
- Utility Identified (LI)
- Ecology/WSDOT Identified



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Credits received to date

Includes first half base credits and Q2 incremental credits

Credit Type	Who Receives	Registered	Reported	Consumption Reported	Credits Received
Base Credit	Tacoma Power	TBD	n/a	n/a	TBD
Incremental EVSE	GG, TPU	124 chargers	62 chargers	29,589 kWh	35
Incremental CNG	GG	1 account	1 account	138,462 Th	270

Credits selling between \$66 and \$107 through October 2023

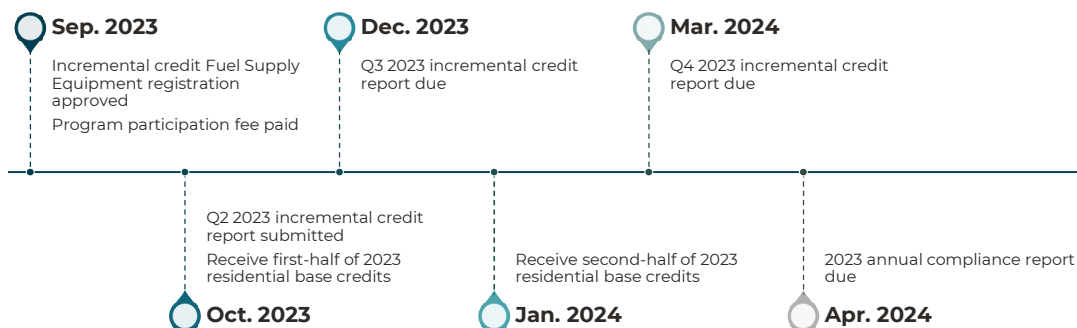
Tacoma Power electricity, 4.08 gCO₂e/MJ
Puget Sound Energy CNG, 77.98 gCO₂e/MJ



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Key dates

Key program compliance dates



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Next steps

TPU and GG are developing an MOU to identify roles and responsibilities for ongoing program management.

- ✦ Data collection, reporting, and records management
- ✦ Accounting – how the revenue is distributed and tracked to comply with accounting principles
- ✦ Budgeting – how both incremental and base credit revenues are budgeted and spent according to program requirements
- ✦ Transacting – the process for monetizing credits, including frequency, who will sell, and how decision to sell is made



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Questions?