

Clean Fuels Program

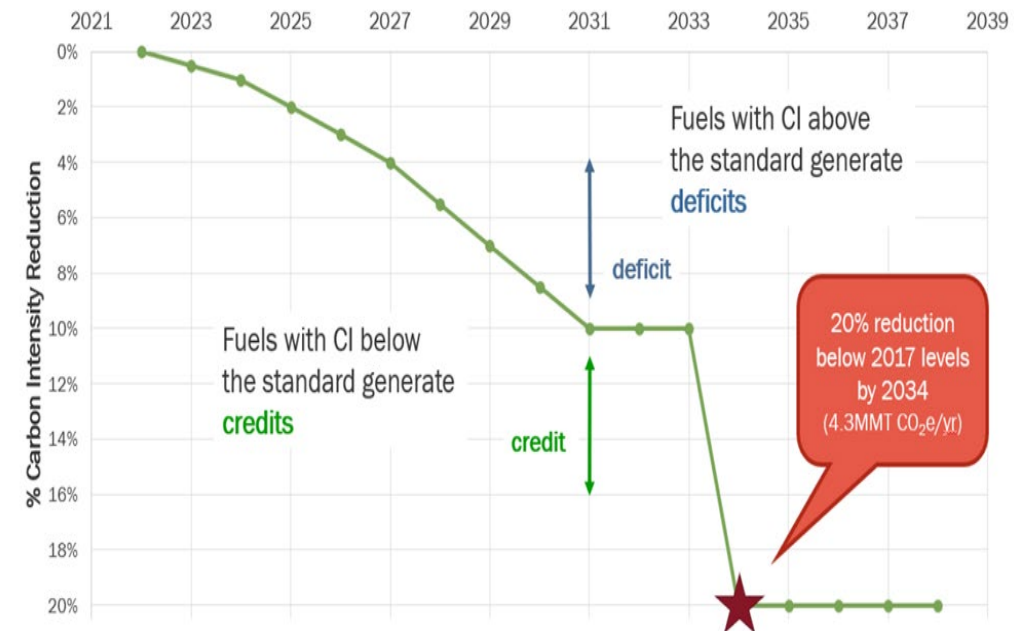
City of Tacoma and Tacoma Public Utilities

October 25, 2023 | TPU Board Study Session

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What is the Clean Fuel Program?

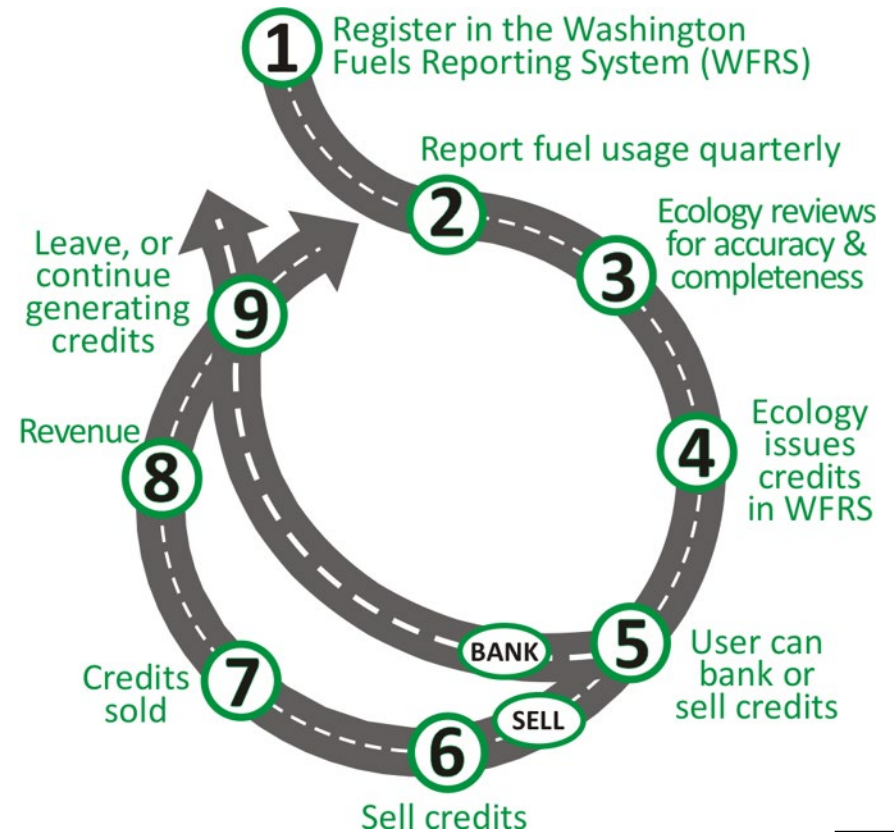
- WA Clean Fuel Standard (70A.535 RCW, 2021)
- Program to decarbonize fuels produced or sold in WA. Similar programs in CA and OR.
- Credits based on carbon intensity compared to a declining annual standard.
- Credit revenue can be spent on transportation electrification projects, including, installing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



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

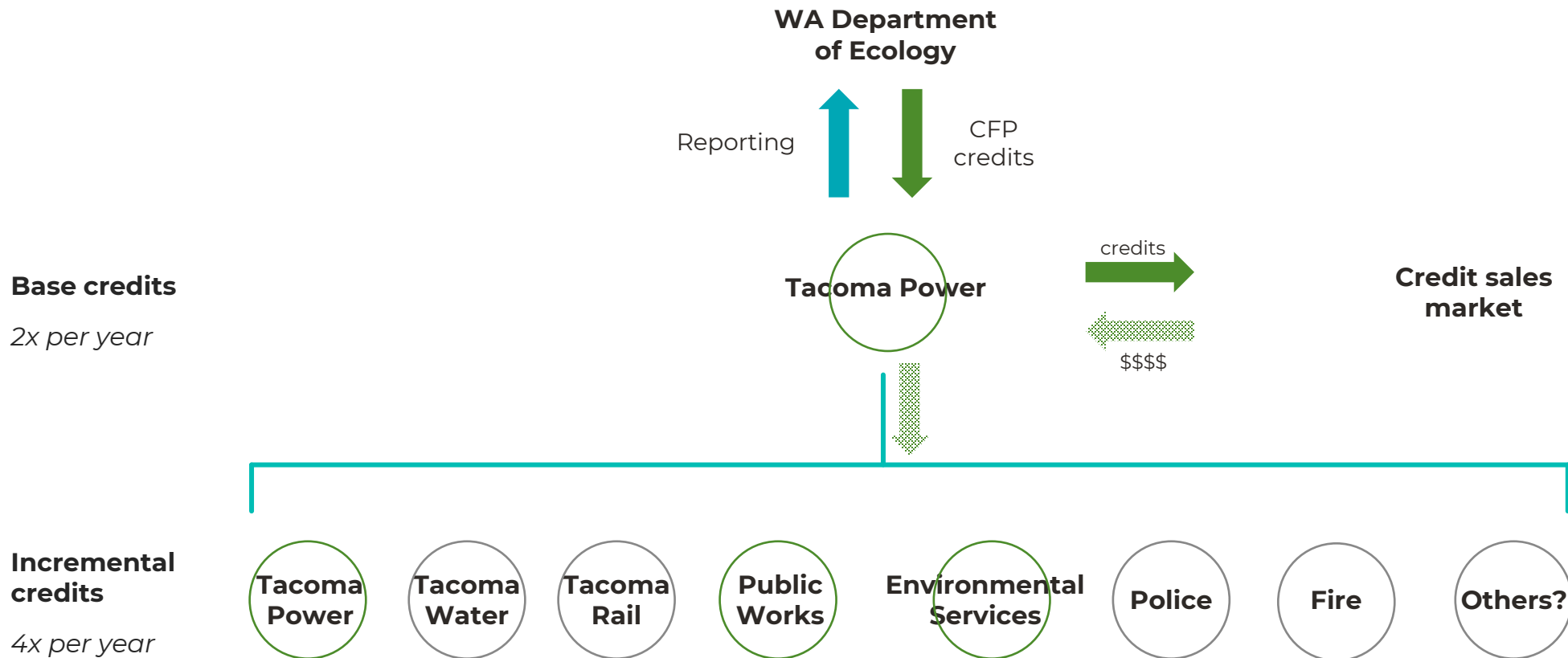
Registration and credit generation

- 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.



Reporting and receiving credits

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



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

Electric Utility Base Credit Spending Requirements



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

Credits received to date

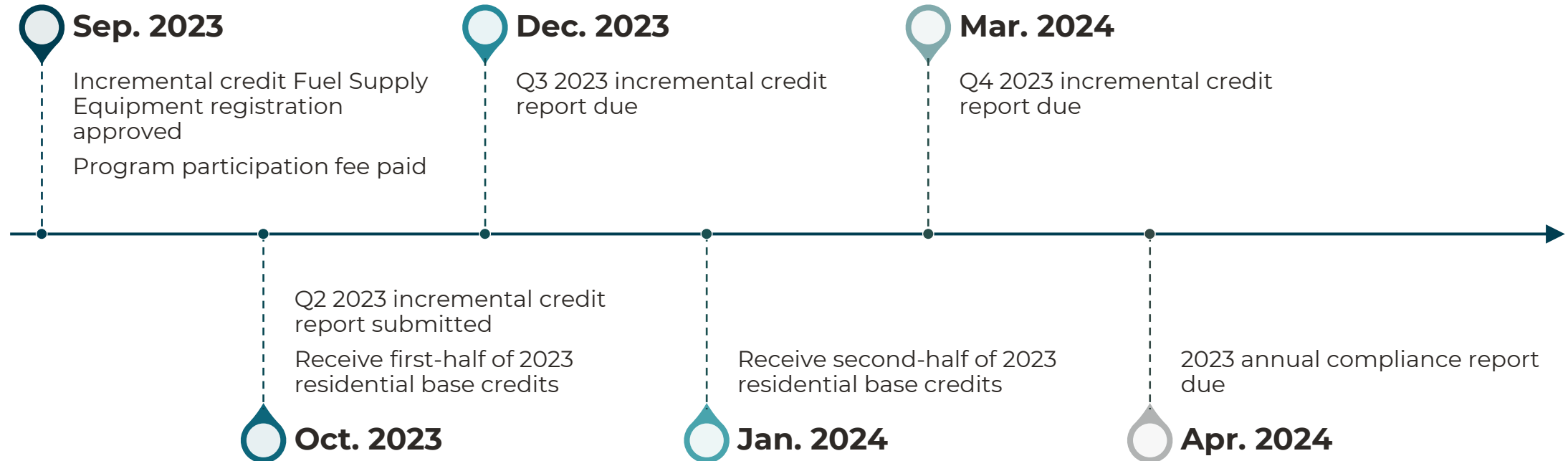
Includes first half base credits and Q2 incremental credits

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 \$105 through September 2023

Key dates

Key program compliance dates



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





Questions?