

Washington State Clean Fuel Standard

Executive Committee

04/06/23



Why we are here

- Overview of Clean Fuel Standard (CFS)
- How does the CFS work in Washington?
- What does CFS mean for Sound Transit?
- Implementation and Next Steps

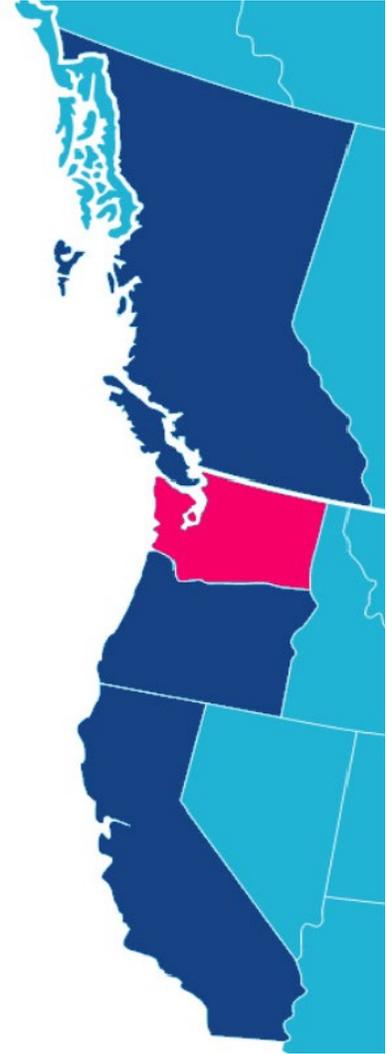
What is a Clean Fuel Standard?

Clean Fuel Standard (CFS)

- A market-based policy designed to reduce greenhouse gas (GHG) emissions from transportation
- Existing programs - CA (2011), OR (2016) and BC (2020)

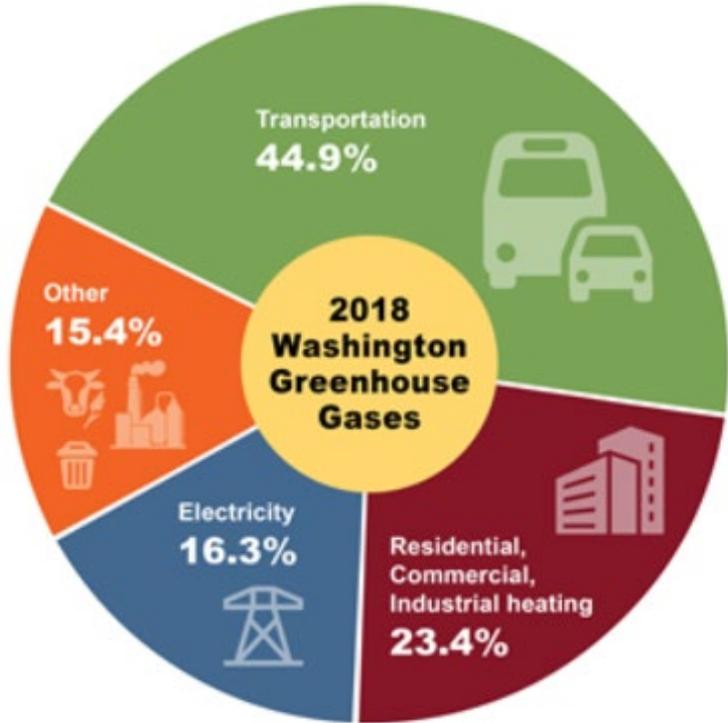
WA CFS Legislation – HB 1091

- Passed May 2021 → Went into effect, Jan 1, 2023
- Goals:
 - Reduce GHG emissions from transportation fuels 20% by 2034 from a 2017 baseline
 - Create revenue to re-invest in clean transportation

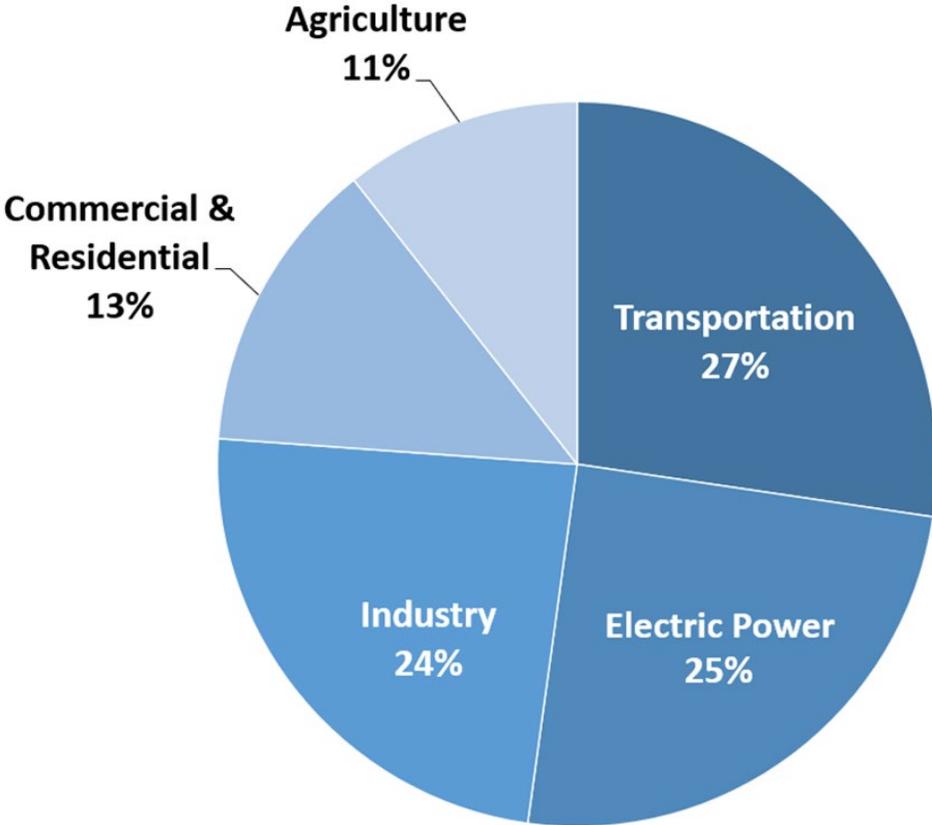


GHG Emissions from Transportation

WA GHG Emissions by sector (2018)



US GHG Emissions by sector (2020)



How Does the WA CFS Work?

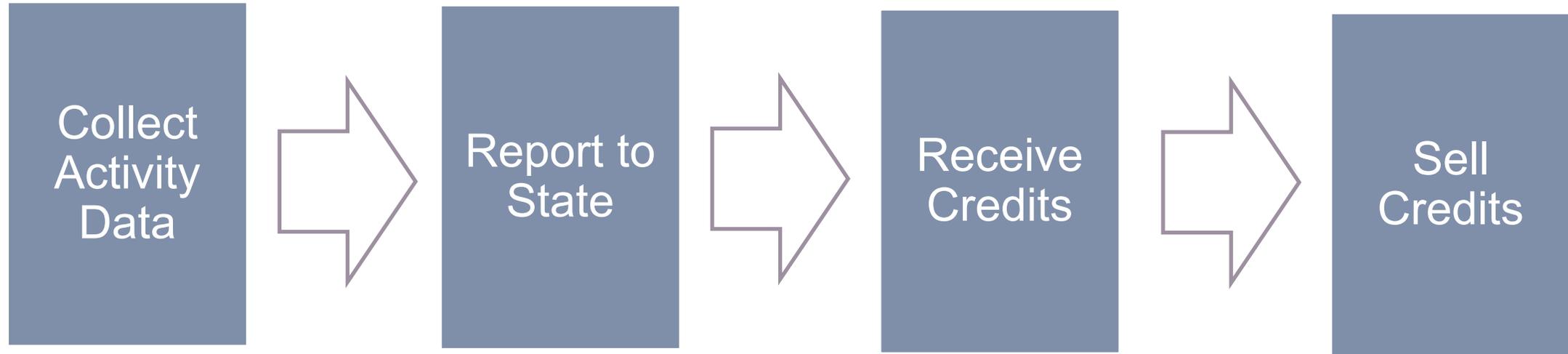
The CFS requires fuel producers to reduce the carbon intensity (CI) of fuels over time.

The program's credit sales incentivize:

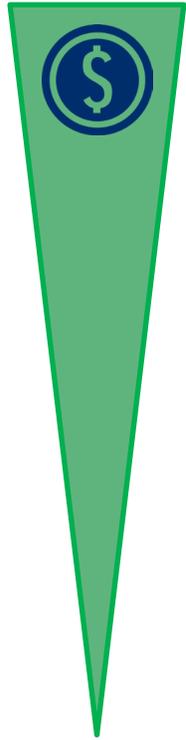
- Fuel producers to *buy credits* and/or increase the supply of low carbon fuels like renewable diesel and green hydrogen
- Public and private orgs to *sell credits* from providing zero and low emission vehicles and infrastructure



How Can Sound Transit Generate Revenue?



How Can Sound Transit Generate Revenue?



-  Zero Emissions Link Light Rail
-  Battery Electric Bus Charging (2026)
-  Tacoma Link Streetcar
-  Non-Revenue Fleet EV Charging
-  Public EV Charging
-  Credit Sharing with Renewable Fuel Providers



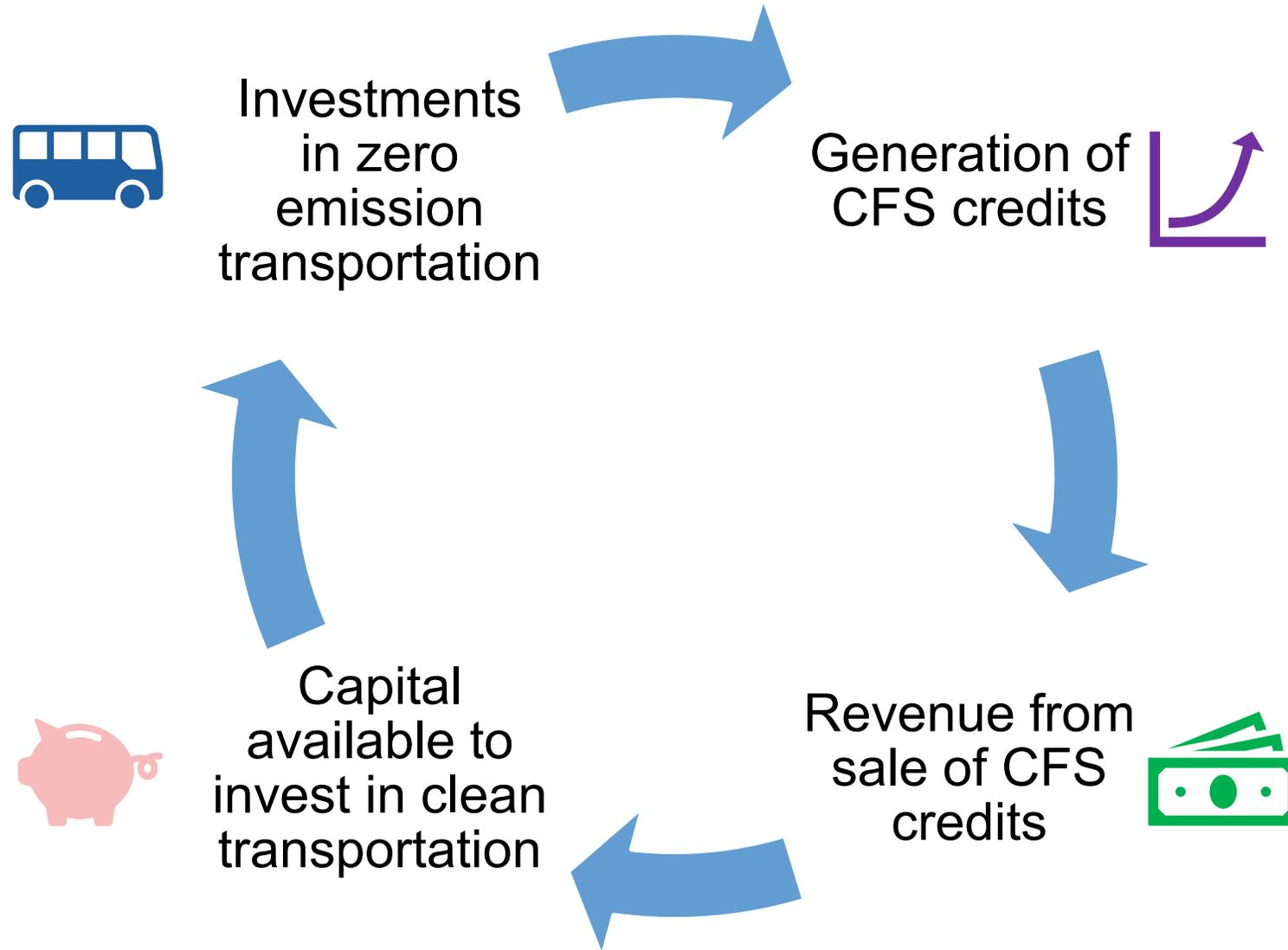
CFS Costs and Benefits

	Projected CFS Revenue Link Light Rail*
2023	\$750,000
2024	\$1,800,000
2025	\$4,500,000
2026	\$4,700,000

*Estimate based on projected light rail electricity use, updated 8/2022 project delivery timeline, and \$80/MT credit price

- Participation in the CFS is projected to be revenue positive
- Diesel cost premiums are projected to peak in 2031 at +\$0.20/gallon > \$750,000 annual max
- CA agencies report that they have not seen fuel cost increases from the state's clean fuel standard.

Intention: create positive feedback loop



Implementation

Clean Fuels Standard Compliance:

- Onboarding consultant
- Ready Q1 data for reporting & sales

Zero Emissions Transition Planning:

- Implementing electrification for BRT program
 - > ST Express Plan – 2023
 - > Sounder Plan – 2024



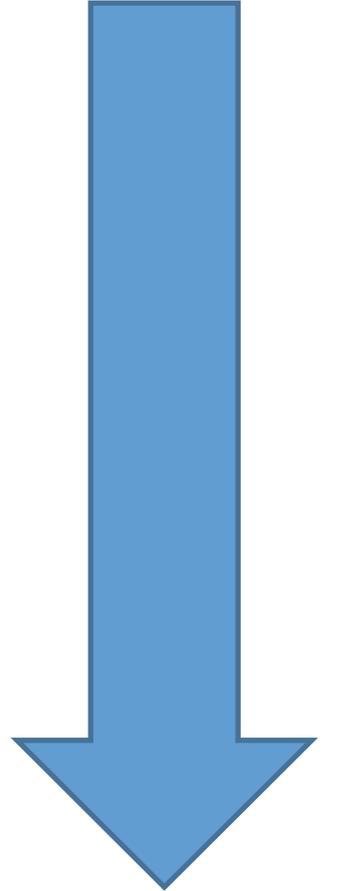
Next Steps

2023-2024

- Complete Draft ST Express & Sounder Zero Emissions Transition Plans
- Update ST Sustainability Plan (2024)

2024-2025

- Project long-term CFS revenues (Finance)
- Project long-term zero emissions investment needs (Finance)
- Discuss options with Board to meet ST's zero emissions fleet goals.



Thank you.

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 *soundtransit.org*

