PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017)
(Implements RCW 34.05.310)

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WSR 26-03-075

Agency: Department of Ecology AO #25-13

Subject of possible rule making: The Washington State Department of Ecology is beginning a new rulemaking to update the Clean Fuel Standard by implementing Second Substitute House Bill 1409 (SSHB 1409), which was signed into law on May 17, 2025. The rulemaking will amend Chapter 173-424 WAC, Clean Fuels Program Rule and Section 150 of Chapter 173-455 WAC, clean fuels program fees.

Decarbonizing transportation — Washington's top source of greenhouse gas emissions — is essential to the state's climate strategy. The Clean Fuel Standard reduces emissions by driving investment in low-carbon transportation fuels, such as renewable diesel, ethanol and electricity for vehicle charging. This legislation more than doubles the policy's carbon intensity reduction requirements. Previously, the program required a 20% reduction in transportation fuel emissions by 2038. With these changes, the Clean Fuel Standard will reduce the life cycle greenhouse gas emissions from transportation fuels by 45% below 2017 levels by 2038, with the option to reduce as much as 55% by 2038 if certain conditions are met. The policy is already exceeding expectations, and strengthening it will yield even more emissions reductions.

During this rulemaking Ecology will also update the program's primary carbon intensity determination tool, the WA-GREET model, to WA-GREET 4.0. This will ensure the use of the most up-to-date scientific methodology and make other technical improvements to support policy implementation, such as aligning with other low carbon fuel programs as directed by RCW 70A.535.060. This rulemaking will also consider other technical amendments necessary to improve implementation of the rule, the fee structure, and the integrity of the greenhouse gas emissions reductions credited in the program.

Ecology will not consider changes related to carbon capture and sequestration, book-and-claim accounting of electricity or renewable natural gas, or avoided methane crediting periods.

Statutes authorizing the agency to adopt rules on this subject: Chapter 70A.535 RCW, Transportation Fuel – Clean Fuels Program.

Reasons why rules on this subject may be needed and what they might accomplish: HB 1409 requires Ecology to update annual carbon intensity reduction standards for years 2028 through 2038 in rule, to meet updated cumulative reduction targets as directed by RCW 70A.535.060.

Transportation is Washington's largest source of greenhouse gas emissions. Reducing the carbon intensity targets for transportation fuels will increase availability of low carbon transportation fuel in Washington, in turn reducing greenhouse gas emissions and improving air quality.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: The number of states and jurisdictions implementing low carbon fuel programs has increased in recent years and is expected to continue as states develop decarbonization strategies. Ecology staff work in close, consistent collaboration with outside jurisdictions and states who implement similar programs including California Air Resources Board, Oregon Department of Environmental Quality, New Mexico Environment Department, and British Columbia's Ministry of Energy and Climate Solutions.

In addition to state programs, there are also federal programs that regulate transportation fuels. EPA implements the federal Renewable Fuel Standard program that allows fuel producers of advanced biofuel, biomass-based diesel, cellulosic biofuel, and renewable fuel to generate credits, using Renewable Identification Numbers (RINs) for compliance. The federal Inflation Reduction Act (IRA) also provides incentives for the production and use of clean fuels.

Process for developing new rule (check all that apply):

- ☐ Negotiated rule making
- ☐ Pilot rule making
- ☐ Agency study
- ☒ Other (describe) Ecology will follow the standard process for the adoption of rules under the Administrative Procedure Act (Chapter 34.05 RCW)

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

	(If necessary)
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Web site: Chapter 173-424 WAC and WAC 174-455-150 Rulemaking Webpage	Web site:
Other: N/A	Other:

Additional comments: Interested parties can stay informed about the rulemaking and public involvement opportunities as described above. Ecology will extend an offer for Government-to-Government consultation with Tribal Governments during each phase of rule development.

Ecology will conduct an Environmental Justice Assessment in accordance with RCW 70A.02.060 as a part of this rulemaking.

Date: January 20, 2026	**Signature:**
Name: Joel Creswell	
Title: Climate Pollution Reduction Program Manager	