



Meeting 1—May 19, 2022

Clean Fuel Standard: Agriculture and Forestland Carbon Capture & Sequestration Advisory Panel (AF-CCSAP)

MEETING SUMMARY, MAY 19, 2022

Participants

Advisory Panel Members:

- Abbey Brown, Washington Dept. of Ecology
- Amanda Parrish, Lands Council of Spokane
- Amy Trainer, Swinomish Tribe
- Cherie Kearney, Columbia Land Trust
- Csenka Favorini-Csorba, Washington Dept. of Natural Resources
- Dryw Jones, USDA Forest Service
- Harrison Pettit, Pacific Ag Biofuel
- Jim Amonette, Washington State University
- John Henrikson, Wild Thyme Tree Farm
- Julius Pasay, The Climate Trust
- Justin Allegro, The Nature Conservancy
- Kent Hartwig, Renewable Energy Group
- Mary Catherine (MC) McAleer, Weyerhaeuser
- Max Dubuisson, Indigo Agriculture
- Paul Buckland, Inland Empire Paper Company
- Stephanie Celt, Washington Dept. of Commerce

Other Participants:

- Department of Ecology: Debebe Dererie, Janee Zakoren, Joel Creswell

Facilitation Team:

- Ross Strategic: Susan Hayman, Heather Christopher

Opening

Abbey Brown (Ecology) welcomed Advisory Panel members and provided an overview of the meeting agenda and objectives. Susan Hayman, Facilitator, reviewed the proposed ground rules for the meeting.

Extended Introductions

Susan led a round of introductions where each panel member shared their name, affiliation, and a brief description of their work. Following the round-robin introductions, Susan introduced the Informal Networking session where panel members were organized into three 5-minute rounds of breakout sessions. In each breakout session, panel members were asked to share what they are hoping to give to and get from this Advisory Panel process. At the conclusion of the breakout groups, members shared observations and insights from their conversations.



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Advisory Panel Charter

Susan provided an overview of the Advisory Panel Charter which was distributed to panel members for review prior to the meeting. Before walking through the document, Susan introduced Joel Creswell (Ecology) to provide an overview of the background and purpose of this Advisory Panel.

Background and Context

House Bill 1091 was signed into law in 2021 and requires Ecology to start a Clean Fuel Standard Regulatory Program by January 1, 2023. The program will reduce the life cycle carbon intensity of transportation fuels to 20% below 2017 levels by 2038. The program works by setting a carbon intensity standard each year and assigning credits to fuels that are below the standard, and deficits to fuels that are above it. By the end of each year, deficit holders must purchase credits and retire them to balance their accounts.

The program is fuel and technology neutral, meaning that all fuels generate credits based on their carbon intensity score. However, the Legislature intended for the program to support in-state biofuel production and requires Ecology to document increases in in-state biofuel production capacity. This includes seeing an increase in Washington's biofuel capacity by 16 million gallons, as well as a 15% increase in in-state feedstock use by 2028. The purpose of this Advisory Panel is to advise Ecology on how best to incentivize and award Clean Fuel Standard credits for carbon sequestration on agricultural and forest lands, with a specific focus on transportation fuels.

Lastly, Joel noted that while recommendations and advice this panel provides to Ecology on its areas of focus may also be used by Ecology to inform its Clean Fuel Standard rulemaking process, this panel process is separate from Ecology's rulemaking process. Following Joel's remarks, Abbey Brown (Ecology) provided additional detail on the purpose and goals of this panel.

Purpose and Goals

Ecology is envisioning that this panel will offer individual and collective input and insight to inform the Clean Fuel Standard, including:

- Recommendations for quantifying carbon sequestration impacts and estimating the potential due to future practices
- Identifying and developing standards for optimizing and/or maximizing carbon sequestration for practices on agricultural and forest lands
- Identifying agricultural and forest land practices that have measurable greenhouse gas (GHG) reduction benefits
- Developing mechanisms for quantifying and allocating credits to incentivize carbon sequestration on agricultural and forest lands

Abbey noted that these are initial goals and should not be considered an exhaustive list of all that will be discussed by this panel. Abbey also emphasized that this panel would focus on carbon sequestration activities related to the production, distribution, and/or sale of transportation fuels.



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Q&A and Discussion

Do we consider electricity to be a transportation fuel?

Yes. For the purposes of this program, if it is used to charge an electric vehicle, it is considered a transportation fuel.

Is there any other guidance on what constitutes sequestration activities that relate to transportation fuels?

Ecology is still in the early stages of developing this program, and some of the language in the charter is intentionally vague to allow for flexibility. In the early stages of this panel, Ecology will look to panel members to help better define and classify carbon sequestration activities related to transportation fuels.

Are there any examples in California or Oregon's Low Carbon Fuel Standards (LCFS) that parallel this panel process?

California has a provision in the LCFS program that supports carbon capture and sequestration as credit-generating activities. Carbon sequestration may be accounted for in the scoring of a fuel's carbon intensity. Ecology expects to discuss with this panel whether this carbon accounting is being done accurately. Ecology is not aware of any other panel processes like this one.

Is the intention to develop biofuels as low carbon alternatives, or is Ecology looking to their sequestration potential as offsets in a market that applies to many other carbons sectors beyond transportation fuels (or both)?

Because of the limited value pool tied to fossil fuels in Washington, the Legislature intended a nexus with the transportation sector. Ecology's assumption is that the Legislature did not intend for the Clean Fuel Standard to be the only program that incentivizes carbon capture and sequestration on natural and working lands. Unlike some of the other Washington climate programs (e.g., Climate Commitment Act) that have mechanisms for carbon offset, the Clean Fuel Standard does not.

The Advisory Panel Charter talks about credits. Can you please clarify what is meant by credits and how these are different than offsets? The draft charter doesn't reference transportation fuels as highlighted on the slides (Slide 18). How does the scope of this panel address credits related to ag and forestry practices of carbon sequestration versus the production of transportation fuels?

Credits are assigned to transportation fuels based on their carbon intensity, and the carbon intensity is measured over the life cycle of the fuels. As part of the production of a biofuel, there may be carbon sequestration benefits coming from either farming or forestry practices that Ecology wants



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to account for, as they represent an opportunity to avoid additional emissions and earn credits in the Clean Fuel Standard. These practices must relate to transportation fuels because the goal of a Clean Fuel Standard is to substitute higher carbon transportation fuels with lower carbon fuels.

How should we be thinking about baselines here? Carbon sequestration occurs on forest and agricultural land, both as new removal of carbon from the atmosphere and loss of carbon from the system, depending on how management practices change. These are both important, and some it just depends on the history of that land.

The valuation of avoided emissions is certainly something Ecology is thinking about, but is not prepared to speak much further on this at this point.

Charter Review and Refinement

Susan introduced the draft Advisory Panel Charter and highlighted a few areas for panel members to consider as they review the document. Panel members were invited to ask additional questions or share concerns with the charter. Participants did not share any additional feedback at the meeting. Susan said the charter would be edited to include an appropriate reference to transportation fuels in the purpose sections, and the final version will be distributed to panel members. Susan noted the charter remains a living document that can be updated as needed.

Advisory Panel Workplan

Susan provided an overview of how panel members will collaborate to develop the Advisory Panel Workplan, using an interactive Mural Board (see image below). Participants were asked to brainstorm suggestions/ideas for what topics this panel should explore in the next three months. For each topic, participants were asked to identify what information or resources be helpful in this conversation and if this conversation should happen in June, July, or August.

Panel members generated many potential questions to explore. After some sorting and grouping, members identified the following potential topics/questions to discuss over the next several months, with some ideas around information sources:

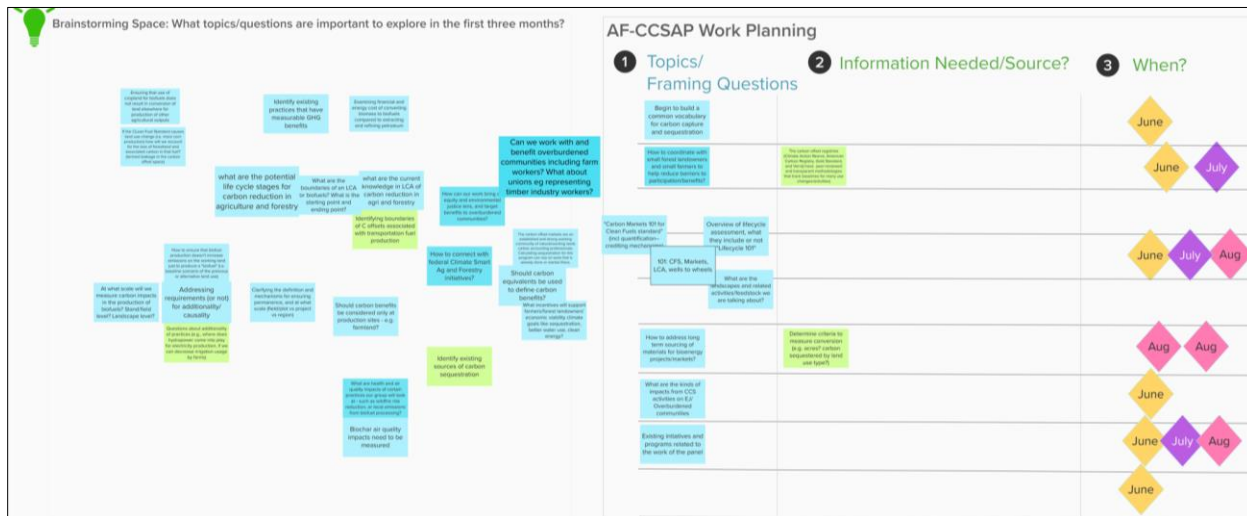
- How to coordinate with small forest landowners and small farmers to help reduce barriers to participation/benefits?
 - Sources: The carbon offset registries (Climate Action Reserve, American Carbon Registry, Gold Standard, and Verra) have peer-reviewed and transparent methodologies that track baselines for many use changes/activities)
- Overview of lifecycle assessment, what they include or not "Lifecycle 101"
- What are the kinds of impacts from CCS activities on EJ/Overburdened communities
- How to address long term sourcing of materials for bioenergy projects/markets?
 - Sources: Determine criteria to measure conversion (e.g., acres? carbon sequestered by land use type?)
- What are the landscapes and related activities/feedstock we are talking about?
- Existing initiatives and programs related to the work of the panel



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- “Carbon Markets 101 for Clean Fuels standard” (including quantification--crediting mechanisms)



The facilitation team will use the information collected as a basis for the draft June agenda, which will be shared with the panel prior to finalizing. Panel members will be invited to make further additions and refinements for subsequent work planning.

In response to a request from a member, the facilitation team will work with Ecology to create a shared folder where members can share and save documents, and distribute the link prior to the June meeting.

Closing

The next Advisory Panel meeting will be Tuesday, June 28th, from 9am-12pm Pacific. Ecology will post the May presentation slides and the meeting recording on the [AF-CCSAP webpage](#) by May 23rd. A draft meeting summary will be distributed to panel members for review by May 26th, and Ecology requests that comments be submitted to the facilitation team by June 1st. A final meeting summary will be posted on the AF-CCSAP webpage by June 2nd.

Ecology thanked members for their participation and contributions.