



Department of Ecology

Request for Applications

Clean Fuel Standard Backstop Aggregator

Purpose and Objective: The Washington Department of Ecology (Ecology) seeks applications from non-profit organizations for the role of Washington Clean Fuel Standard backstop aggregator.

Backstop Aggregator Overview: The role of the Clean Fuel Standard (CFS) backstop aggregator is to capture the value of residential electric vehicle charging when electric utilities do not opt into the CFS. The backstop aggregator uses the proceeds from the monetization of clean fuels credits to promote transportation electrification in Washington, while prioritizing projects that directly benefit disproportionately impacted communities. Ecology calculates the number of credits granted to the backstop aggregator and require proceeds received by the backstop aggregator are used to promote and support equitable zero emissions transportation electrification for Washington, in alignment with [Healthy Environment for All \(HEAL Act\) principles](#).

Contract and Term: Ecology and the selected backstop aggregator (Contractor) will enter into a no-cost contract. The contract term is 3 years from the date the contract is executed. If Ecology and contractor agree, the contract may be extended for additional terms, but the total term shall not exceed 5 years from the contract execution date.

Amount: Ecology will transfer Clean Fuel Standard credits to contractor as the sole form of compensation under this contract. Contractor will monetize credits and must use the revenue from the sale of the credits to fund the work of Tasks 1-4 in the Statement of Work (Attachment A). The number of credits will vary annually and is based on the annual number of electric utilities that do not opt into the Clean Fuel Standard (CFS), and the number of residential electric vehicle(s) (EVs) in the service areas of those utilities. For a list of electric utilities *participating* in the CFS in 2023 (pending registration approval), see Attachment B, 2023 CFS-participating Electric Utilities.

Scope of Work & Deliverables: See Attachment A, Scope and Deliverables.

Experience and Qualifications

Minimum requirements:

- Applicant must be an organization exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code.
- Applicant must complete annual independent financial audits.

If minimum requirements are not met, the application will not be considered.

Highly Desirable Qualifications: (not required, but will be given consideration in the evaluation of bids)

- Experience working on transportation electrification projects for and with disproportionately impacted communities.
- Demonstrated experience working with Ecology or other state agencies.
- Experience with successfully leveraging multiple funding streams (e.g., partnerships, matching funds, cost-share).
- Experience in community engagement (e.g., planning, implementation, evaluation outreach).

Application Preparation Requirements

Applicants must submit:

- Part 1: Letter of Intent – Required Initial Application (on or before March 15, 2023)
- Part 2: Required Detailed Application (on or before March 31, 2023)

Part 1: Letter of Intent – Required Initial Application (on or before March 15, 2023)

Submit to Ecology a letter of intent (LOI) on or before March 15, 2023, using the fillable form linked below.

The form includes the following:

1. Name of organization
2. Name of LOI preparer and email contact
3. Name of signing authority
4. Synopsis of program proposal (up to 250 words)
5. Expected submission date of Part 2: Required Detailed Application (on or before March 31, 2023)

Completing the letter of intent enables Ecology to plan for the assembly of appropriate reviewers and creating a schedule for timely review of applications. As required by rule, the LOI also helps Ecology comply with an initial application deadline of March 15, 2023. **The LOI will not be evaluated and is not binding.**

[Complete letter of intent now](#)

Part 2: Required Detailed Application (submitted on or before March 31, 2023)

Submit to Ecology Part 2 of the application on or before March 31, 2023, that includes the following:

1. A description of the mission of the organization and how being a backstop aggregator fits into its mission.
2. A description of the experience and expertise of key individuals in the organization who would be assigned to work associated with being a backstop aggregator.
3. A work plan or statement of approach describing:
 - a. How the organization will promote transportation electrification statewide, while prioritizing projects that directly benefit disproportionately impacted

- communities.
 - b. Any entities that the organization might partner with to implement its plan.
 - c. A budget.
 - d. How the organization plans to use the revenue from the sale of credits, which may include, without limitation, programs that provide incentives to purchase electric vehicles or install electric vehicle chargers, opportunities to educate the public about electric vehicles, and anticipated costs to administer its plan.
 - e. The financial controls that are, or will be, put in place to segregate funds from the sale of credits from other moneys controlled by the organization
4. The last three years of independent financial audients and I.R.S. form 990s, and proof that the I.R.S. has certified the entity as qualifying as an exempt organization under 501 (c)(3).

Part 2: Required Detailed Applications may be up to ten pages in length, excluding resumes, and may be submitted using Adobe PDF (preferred) or Microsoft Word format. Incomplete bids and bids longer than ten pages (excluding resumes) may be returned without review. Email to cfs@ecy.wa.gov, with the email subject "Backstop Aggregator Application–Part 2–OrgName."

Bid Evaluation Criteria

Bids will be evaluated and scored on a 60-point scale in the following categories:

Experience and Qualifications (30 points)

- Experience working on transportation electrification projects for and with disproportionately impacted communities (10 points).
- Demonstrated experience working with Ecology or other state agencies (5 points)
- Experience with successfully leveraging multiple funding streams (e.g., partnerships, matching funds, cost-share). (10 points)
- Experience in community engagement (e.g., planning, implementation, evaluation outreach). (5 points)

Approach and Work Plan (20 points)

- How the applicant will maximize the benefits from the credits it receives to promote transportation electrification and reduce greenhouse gas emissions from the transportation sector in Washington (10 points)
- Evidence of projects directly benefiting disproportionately impacted communities (10 points)

Budget, revenue, and financial controls (10 points)

Additional Information

Ecology is not required to select a backstop aggregator from the March 2023 applicants. If Ecology does not designate a backstop aggregator out of the March 2023 applicants, Ecology may set a new deadline for another application if it decides to undertake a new selection process.

Contact

Rebecca Sears at cfs@ecy.wa.gov.

Attachment A - Scope and Deliverables

Washington Department of Ecology Clean Fuel Standard Backstop Aggregator

Scope Of Work and Deliverables

General Information

The role of the Clean Fuel Standard (CFS) backstop aggregator is to capture the value of residential electric vehicle charging when electric utilities do not opt into the CFS and to use the proceeds from the monetization of clean fuels credits to promote transportation electrification in Washington while prioritizing projects that directly benefit disproportionately impacted communities. Ecology will calculate the number of credits that will be granted to the backstop aggregator and require that the proceeds received by the backstop aggregator are used to promote and support equitable zero emissions transportation electrification for Washington, in alignment with the Healthy Environment for All (HEAL Act) principles.

Applicable Documents:

[RCW 70A.535](#): Washington's Clean Fuel Standard statute

[Chapter 173-424 WAC](#): Clean Fuels Program rule

[Chapter 173-455 WAC](#): Air Quality fee rule

WORK

Task 1 – Monetization of credits

The Contractor shall monetize the credits granted to them by Ecology in accordance with the following principles:

- Credit monetization shall focus on establishing revenue stream stability rather than absolute credit value maximization.
- Credit monetization shall be accomplished equitably and fairly, without any favoritism or bias between potential credit purchasers, and at credit values that are reflective of the general credit trading market. Monetization contrary to these principles shall be considered unreasonable.
- Contractor may subcontract with consultants or third parties, such as a credit aggregator, to assist with the administration of selling CFS credits.
- All revenue that Contractor receives from monetization of credits shall be accounted for and maintained in a fund separate from any other revenue source. Any interest or other earnings on such revenues shall remain in such separate fund and are to be treated as revenue from the monetization of credits under this Agreement.
- Contractor shall use appropriate financial and accounting controls, including application of Generally Accepted Accounting Principles, to document and ensure that all revenue from the monetization of credits is spent consistent with, and only as provided in, this Agreement.

Task 2 – Transportation electrification equity programs

The Contractor shall create zero emission transportation electrification programs that directly benefit disproportionately impacted communities as defined by the CFS rule and in alignment

with [HEAL Act principles](#).

Program portfolio principles include:

- Leveraging other funding sources where possible.
- Implementing programs believed to have largest impact on creating equity in access to zero emissions transportation.
- Seeking opportunities for partnership, especially outside of urban areas and in disproportionately impacted communities.
- Building transportation electrification capacity of community stakeholders.
- Soliciting and incorporating community input.

Transportation electrification equity programs will likely evolve over time to reflect lessons learned, refined best practices, and new research findings. The Contractor should be adaptable, and work to reflect these learnings over time. Focused on disproportionately impacted communities, programs may include:

- Public transportation partnerships that support increase of electric public transit options.
- Electric carshare.
- Grant development capacity building for community organizations, for grants focused on transportation electrification or other activities consistent with the goals of the backstop aggregator.
- Engagement with fleet managers to promote conversion of their fleets to electric vehicles.
- Incentives, including cash-on-the-hood, to purchase electric vehicles, or install electric vehicle chargers.
- Opportunities to educate the public about electric vehicles.
- Development of demonstration/pilot projects to promote electric mobility options.
- Organization and coordination of electric vehicle ride and drive events.
- Production of online materials that shall be made available on both Ecology's CFS website and the Contractor's website.

Task 3 – Utility consumer engagement

Consumers served by utilities that opt into the CFS will benefit from the investments the utilities will make in transportation electrification as mandated by the CFS. Contractor shall engage with the consumers of utilities that have not opted into the CFS, and for which the Contractor serves as the backstop aggregator, to ensure equitable distribution of consumer benefits across the state and alignment with HEAL Act principles.

For this task, the Contractor shall:

- Implement engagement and programs that support the Washington Statewide [Transportation Electrification Strategy](#), focusing on consumers served by utilities that have not opted into the CFS, and that are aligned with program portfolio principles outlined in Task 2.
- Include leveraging other funding sources where possible.
- Implement programs believed to have the largest impact on creating equity in access to zero emissions transportation.
- Seek opportunities for partnership, especially outside of urban areas and in disproportionately impacted communities.

- Build transportation electrification capacity of community stakeholders.
- Solicit and incorporate community input.

Task 4 – Program administration

The Contractor shall ensure its work is conducted efficiently and in an accountable, transparent manner. The Contractor may spend a maximum of 10% of the total annual revenue from the sale of credits for this task.

For this task, the Contractor shall:

- Manage and monetize credits as described in Task 1 to complete the work as described in this Agreement. Contractor may subcontract with consultants or third parties to assist with the administration of selling CFS credits. Those subcontracting costs will be considered program administration costs.
- Produce the workplans as described in Deliverable 1.
- Produce the annual report as described in Deliverable 2.
- Maintain records and produce the annual audit as described in Deliverable 3.

DELIVERABLES

1. Annual workplans

By December 15th of 2023 and each December 15th thereafter, the Contractor shall submit to Ecology a workplan, developed in collaboration with Ecology and in alignment with HEAL Act principles, for the coming calendar year. The workplan shall:

- Describes the number and type of tasks (as described above) to be conducted in the next calendar year.
- Includes a budget and timeline.
- Establish an operational definition of disproportionately impacted communities, in consultation with Ecology staff.
- Outline a strategy to maximize benefits to disproportionately impacted communities.
- Describe plan for meaningful community engagement.
- Describe plan for continuous evaluation of Contractor’s work and associated outcomes, for use in improving program effectiveness and supporting future decision-making.
- Describe plan for measuring, collecting, and analyzing data, and documenting outcomes.

If on December 31st Contractor still holds revenue that it has received from the monetization of credits, then such revenue will be rolled over into the next calendar year and the Contractor’s workplan for that year must include such credits and revenue in addition to the anticipated revenue from the new batch of credits it will be due to receive. While revenues may be rolled over, the Contractor shall make a goal of spending revenue in as expedient a manner as practicable, preferably within the year in which credits are granted, to enable program benefits sooner rather than later.

Ecology staff will review the submitted workplan in good faith to determine whether it is consistent with this Agreement, reasonable, and will achieve the goals of the Clean Fuel Standard

and Ecology’s alignment with HEAL Act principles. If Ecology concludes that changes in the workplan are necessary, Ecology will work with the Contractor to modify the workplan to address Ecology’s concerns and develop an annual workplan that Ecology may approve.

Ecology will make its best effort to approve the workplan, in writing, by January 31st of each year.

If Ecology has approved the workplan, then by February 28th of each year, beginning in 2024, Ecology will place a number of credits into the Washington Fuels Reporting System (WFRS) account of the Contractor.

The number of credits in 2024 will be equal to the number generated by all the electric vehicles registered in the State of Washington as of the date the backstop aggregator is named, less the credits that are already claimed by utilities that have opted in to participate in the CFS by January 15, 2023.

The number of credits in 2025 onward will be equal to the number generated by all the electric vehicles registered in the State of Washington less the credits that are already claimed by utilities that have opted in to participate in the CFS by October 1st of two years prior.

If Contractor wishes to make any changes to the workplan after it has been approved by Ecology, such changes must be approved by Ecology in writing. If Ecology wishes to make any changes to the workplan after it has approved the workplan, Contractor must accept such changes in writing.

2. Annual report

By March 31st of each year, beginning in 2025, the Contractor shall submit a written report to Ecology that summarizes the previous year’s activity including:

- The total revenue generated from the credits it sold.
- The total expenses for all tasks, including a general summary of the expenses for Tasks 2 and 3 and a detailed summary of expenses for Task 4.
- For each task in the Statement of Work, a description of activities, including for each activity:
 - Status.
 - Where each activity took place.
 - The activity’s budget, including administrative costs.
 - An estimate of its outcomes including the extent to which it directly benefited disproportionately impacted communities.
 - Demonstration of community input and engagement.
 - Estimates of the greenhouse gas emissions reductions that result from investments.
 - Feedback from beneficiary communities is encouraged.
- The results of its most recent independent financial audit

3. Records maintenance and annual financial audit

Contractor must maintain all records and make them available upon request by Ecology, including

records required to be maintained under WAC 173-424-400 and, in addition, any records related to its application, the programs it operates using the proceeds from the sale of credits under this program, and any of the organization's financial records.

By March 31st of each year, the Contractor shall submit to Ecology the results of an independent financial audit, completed consistent with Generally Accepted Accounting Principles, covering the previous calendar year. Such audit shall include review of all programs that Contractor undertakes under this Agreement.

Attachment B – 2023 CFS-Participating Electric Utilities

List of 2023 CFS Participating Electric Utilities (pending registration approval)

1. Cowlitz
2. PacifiCorp
3. Seattle City Light
4. Tacoma Power
5. Avista
6. Clark Public Utilities
7. PSE
8. Big Bend Electric Cooperative
9. Neselem Valley Electric Cooperative
10. Snohomish PUD
11. Okanagan County Electric Co-op
12. Douglas County PUD
13. Ohop Mutual Light Co.
14. City of Port Angeles
15. Chelan PUD