

Clean Fuel Standard Participation Fee 2024

Workload analysis, proposed budget, and proposed fee

Introduction

Ecology charges a fee to participate in the Clean Fuel Standard program as outlined in the fee rule, WAC 173-455-150¹. This fee covers the cost of administering the program and is based on the estimated budget for the coming year. All program participants are required to pay a fee for participating in the Clean Fuel Standard program. In 2024, Ecology will determine deficit and credit generators based on quarterly reports submitted in 2023.

Per the fee rule, Ecology must prepare an annual budget that reflects the estimated cost of administering the Clean Fuel Standard, including:

- Posting the draft 2024 workload analysis, annual budget, estimated fees, and list of deficit generators on ecology's website by February 1, 2024.
- Providing a 30-day [opportunity for public comment](#) on the draft workload analysis, budget, fees, and deficit generator list.
- Posting the final workload analysis, budget, fees, and deficit generator list by March 15, 2024.

Workload analysis

A team of seven staff work to implement the Clean Fuel Standard full-time, with other staff and managers from the Climate Pollution Reduction Program contributing when necessary.

| | |
|--|--|
| Technical Lead (Environmental Planner 5) | Program Analyst (Environmental Specialist 4) |
| Program Analyst (Environmental Specialist 3) | Program Analyst (Environmental Specialist 3) |
| Fuel Pathway Specialist (Natural Resource Scientist 4) | Partnership Specialist (Environmental Specialist 4) |
| Fuel Pathway Specialist (Natural Resource Scientist 4) | GHG Inventory and Transportation Section Manager (WMS Band 2) |
| Community Outreach & Environmental Education Specialist 4 | Administrative Assistant 3 |
| IT App Development - Journey | |

| Total Ecology Staffing Costs by fiscal year | FY 2024 Total | | FY 2025 Total Cost | |
|---|---------------|---------------|--------------------|---------------|
| | FTE | Cost | FTE | Cost |
| | 4.4 | \$ 546,377.30 | 4.4 | \$ 455,444.60 |

The fee is allocated on a calendar year, but Ecology budgeting is done on a fiscal year basis, so the costs below cover half of each fiscal year corresponding with calendar year 2024.

¹ <https://app.leg.wa.gov/WAC/default.aspx?cite=173-455-150>

| Other Costs | | | | |
|---|--|----------------------|--|----------------------|
| Interagency Agreement: Fuel supply forecast (Commerce) | | \$ 100,000.00 | | \$ 100,000.00 |
| Professional Services Contract: IT technical assistance (Oregon State University) IAA | | \$ 5,000.00 | | \$ 5,000.00 |
| Meeting Facilities, Section 7 Stakeholder Advisory | | \$ 4,000.00 | | \$ 4,000.00 |
| WA Fuel Reporting System* | | | | \$ 648,293.00 |
| Senior Energy Policy Specialist (Commerce) | | \$ 50,000.00 | | \$ 50,000.00 |
| Goods and Services | | \$ 22,985.60 | | \$ 22,985.60 |
| Travel | | \$ 6,877.20 | | \$ 6,877.20 |
| Equipment | | \$ 4,536.40 | | \$ 4,536.40 |
| Total Other Costs | | \$ 178,399.20 | | \$ 826,692.20 |

*The funding for the WA Fuel Reporting System update was submitted to and included in the Governor's 2023-25 budget.

Estimated annual budget

Based on the workload analysis above, the estimated total annual budget for calendar year 2024 is:

| | FTE | FY 2024 | FTE | FY 2025 |
|-------------------------------------|------------|----------------------|------------|------------------------|
| GRAND TOTAL by FISCAL YEAR | 4.4 | \$ 724,776.50 | 4.4 | \$ 1,282,136.80 |
| GRAND TOTAL by CALENDAR YEAR | | \$ 2,036,913 | | |

Estimated fee for 2024

As per the fee rule, the 2024 fee will be split between two categories:

- **5%** of the estimated budget is covered by all participants (both credit and deficit generators).
- **95%** of the program cost is covered by deficit generators based on the amount of deficits generated in quarters one – three of 2023.

| | |
|-------------------------------------|---------------------|
| GRAND TOTAL by CALENDAR YEAR | \$ 2,036,913 |
| 95% of total | \$ 1,935,067 |
| 5% of total | \$ 101,845 |

| | Fee amount per participant | Number of participants in this tier | Allocation of budget per tier |
|--|----------------------------|-------------------------------------|-------------------------------|
| Participation fee <i>Representing 5% of the estimated program cost.</i> | \$ 268 | 380 | \$101,845 |
| Category 1 <i>Top 30% of deficit generators, 70% of deficit fee amount.</i> | \$104,195 | 13 | \$1,354,547 |
| Category 2 <i>Middle 30% of deficit generators, 20% of deficit fee amount.</i> | \$29,770 | 13 | \$387,013 |
| Category 3 <i>Lower 30% of deficit generators, 10% of deficit fee amount.</i> | \$14,885 | 13 | \$193,506 |
| Lowest 10% of deficit generators <i>Only paying the participation fee.</i> | N/A | 117 | 0 |

- Category 1 represents **182,000 – 5,500** deficits accrued during quarters one through three of 2023.
- Category 2 represents **5,500 – 300** deficits accrued.
- Category 3 represents **300 – 18** deficits accrued.
- Category 4 represents under **17** deficits accrued.

As a reminder, if a participant has deficits in their account they will be considered a deficit generator, and we look at pure deficit generation at the time when the fee is set, not net deficit generation.

A list of all participating deficit generators participating as of Jan. 29, 2024 will be posted on the CFS Requirements page in the section regarding the 2024 fee.

Because some parties still owe payment, collection of the 2023 fee has not finished and Ecology’s fiscal team is still working to account for 2023’s budget. Ecology previously stated that, should the agency collect more from one year’s fee than the actual cost to implement the program for that calendar year, the fee for the following year will be adjusted. Until a full accounting can be determined, Ecology’s Climate Pollution Reduction Program fiscal team has stated that we will perform this “true up” for the 2025 participation so that the accounting can be finalized based on collection of the 2023 fee. If you have questions about this, please contact CFS@ecy.wa.gov and we will put you in contact with fiscal staff.

ADA Accessibility

To request an ADA accommodation, contact Ecology by phone at 360-407-6831 or email at ecyADAcoordinator@ecy.wa.gov, or visit <https://ecology.wa.gov/accessibility>. For Relay Service or TTY call 711 or 877-833-6341