



July 10, 2015

Peter Moulton
Washington Department of Commerce
PO Box 42525
Olympia, Washington 98504

Re: Comments on Proposed Rules for Use of Alternative Fuels & Vehicles
by Local Governments – Chapter 194-29 WAC

Dear Mr. Moulton:

Thank you for your efforts to include public transit in your local government stakeholder group as you developed proposed rules for use of alternative fuels and vehicles by local governments.

We appreciate you incorporating a number of the transit recommendations into the formal draft of the rules. There are several that we want to call out specifically with the recommendation that the provisions be retained and included in the final adopted rules.

Support for Provisions in the Draft Rules

1. Definitions: The proposed draft includes a new definition of “lifecycle cost” (194-29-020(6)) and a broader, more flexible definition of “practicable” (194-29-020 (8)). The definition of “practicable” now includes reference to the goal of displacing gasoline and diesel use.

These definitions reflect the factors used by local governments, including public transit agencies, when making decisions about fuel and vehicle purchases. The definitions allow flexibility for local governments to consider the factors that fit our situation. They now also clarify the goal of the rules. We strongly recommend that these definitions be included in the adopted rules.

2. **Assessment Data and Reporting.** Thank you for including reference to the most recently reported transit data in Section 194-29-040. By using the National Transit Database data as published by the Washington State Department of Transportation (WSDOT), the number of times transit agencies have to report data to various state agencies is minimized and the data will be reliable and consistent.
3. **Local Determination of Practicability.** We strongly support the definitions and provisions in the draft rules that authorize local governments to decide whether it is practicable to purchase certain vehicles and fuels. This approach respects the fact that each local government has many factors that influence vehicle and fuel purchases and the decisions should be made at the local level.
4. **Inclusion of Hybrid Electric Vehicles.** We strongly support the changes to the compliance evaluation section (194-29-070) which allow local governments to use hybrid electric vehicles. We use hybrid electric buses, despite the significant cost increase over conventional diesel buses. With regenerative braking, the hybrid electric vehicles are generating electricity that is “off the grid” and are displacing the use of diesel fuel, the primary goal of the rules.

Recommendations for Revisions to the Draft Rules

1. **Social Cost of Carbon and Transit Offsets.** The definition of “lifecycle cost” (194-29-020 (6)) includes the “social cost of carbon” as one of the factors to be considered. The “social cost of carbon” is defined (194-29-020 (12)) to mean a calculation of the economic impacts of greenhouse gas emissions as determined by the Department of Commerce and Ecology.

Our understanding is the departments work on this calculation has already taken place and is unlikely to be revisited. We have also been told that the calculation should have a nominal impact when comparing vehicles. There is a white paper drafted by state agencies, but there does

not seem to be an easy to find calculation that is broadly accepted as the social cost of carbon.

Our concern is that the social cost of carbon calculation was not developed with input from transit agencies (or other local governments) and does not appear to reflect the greenhouse gas emissions savings or off-sets generated by the use of transit. Further, there are questions about whether and how the social costs of carbon calculation may change in the future.

We encourage that the definition and the use of the social cost of carbon be removed from the draft rules because the cost model is not well-defined, not readily available, is not expected to have more than a nominal impact on the lifecycle cost calculation, and does not include transit off-sets. The alternative recommendation is to include transit off-sets as a factor to be considered in determining lifecycle costs.

2. Determination of Practicable and Lifecycle Cost. While we support the definitions of “lifecycle cost” and practicable, we continue to be concerned that the compliance evaluation section (194-20-070) unnecessarily narrows the definitions.

The definition of “lifecycle cost” and “practicable” are much broader and include many other factors, such as cost and availability of fuels and vehicles, changes in fueling infrastructure, operations, technical feasibility, implementation costs and other factors. We strongly recommend that the compliance evaluation section be reworded to include reference to the definitions of “lifecycle cost” and “practicable” as the criteria local governments will use to make vehicle and purchasing decisions.

3. Comparison of Vehicles. The section on compliance evaluation (194-29-070) allows comparison of the different vehicles, but is not consistent. Currently subsection 194-24-070(1)(a) includes a comparison first to any equivalent hybrid vehicle and second to the vehicle the local government would otherwise procure.

We think that language may have been added for transit agencies, but the two-tiered approach is not necessary and we recommend removing the

reference to “any equivalent hybrid vehicle.” By making that change, the entire section will be consistent and allow comparison to the lifecycle cost of “the vehicle that the local government would otherwise procure.”

Thank you for the opportunity to comment on the draft rules.

Sincerely

A handwritten signature in blue ink, appearing to read 'Ann Freeman-Manzanares', with a long, sweeping flourish extending to the right.

Ann Freeman-Manzanares
General Manager