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July 7, 2015

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

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

Dear Peter:

As you know, the Washington State Transit Association (WSTA) represents 30 public transit agencies in the state of Washington. We appreciate your efforts to include WSTA and individuals from various transit agencies in your local government stakeholder group as you developed proposed rules for use of alternative fuels and vehicles by local governments. The comments in this letter represent WSTA's formal comments on the proposed rules – Chapter 194-29 WAC.

A. WSTA Support for Provisions in the Draft Rules.

We want to acknowledge and thank you for your willingness to listen to concerns from the transit agencies about their unique issues they face when making decisions regarding vehicles and fuel. You have incorporated a number of the transit recommendations into the formal draft of the rules and there are some we want to call out specifically, with the recommendation that the provisions be retained and included in the final adopted 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 their situation. They also now clarify the goal of the rules, which is something the stakeholder group requested.

We strongly recommend that these definitions be included in the adopted rules. (We do have one recommended revision related to the definition and use of the “social cost of carbon,” described in Section B.1 below.)

2. Exemptions. We appreciate your willingness to work with those transit agencies using CNG to find acceptable language for the exemption in section 194-29-030 (1).
3. 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.
4. 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.
5. 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. As you recall, many transit agencies 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.

B. WSTA Recommendations for Revisions to Draft Rules.

There are a number of outstanding issues that we ask you to consider, with proposed revisions to the draft rules.

1. Social Cost of Carbon and Transit Offsets. The definition of “lifecyle 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 Departments of Commerce and Ecology.

Our understanding is that 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.

Meanwhile, King County Metro's economists have spent considerable time and effort to define what they refer to as "transit offsets" to demonstrate the greenhouse gas emissions savings or offsets generated when a person uses transit instead of driving a car. Transit offsets or savings are also reported by the Federal Transit Administration (FTA), which reports that light rail systems produce 62 percent less and bus transit produces 33 percent less greenhouse gas emissions per passenger mile than private vehicles. According to WSDOT, this savings increases to 82 percent for a typical diesel transit bus when it is full with 40 passengers.

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 offsets generated by use of transit. Further, there are questions about whether and how the social cost of carbon calculation may change in the future.

WSTA recommends that the definition and 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 offsets. The alternative recommendation is to include transit offsets as a factor to be considered in determining lifecycle costs.

2. Determination of Practicable and Lifecycle Cost. As mentioned earlier in this comment letter, WSTA strongly supports the definitions of "lifecycle cost" and "practicable." The definitions were developed with broad stakeholder input and support because they include the many variables and factors faced by local governments.

We continue to be concerned that the compliance evaluation section (194-20-070) unnecessarily narrows the definitions. An example of the narrowing is in subsections 194-24-070 (1)(a) and (b), which state that it is considered "practicable" when just two or three criteria are met: a vehicle is available that meets operational needs, charging requirements can be met, and the lifecycle cost is equal or less than the lowest lifecycle cost of a vehicle the local government would otherwise purchase.

The definitions 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.

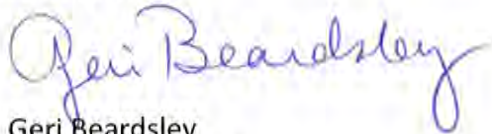
We think that language may have been added for transit agencies, but the two-tiered approach is not necessary and we recommend removing the reference to "any equivalent hybrid vehicle." By making that change, the entire section will be consistent and allow comparison to the lifecycle cost of "the vehicle that the local government would otherwise procure."

C. WSTA Comments on Draft Guidance Document.

We have some comments on the proposed guidance document, but understand that it is not part of the formal rulemaking process. At this point we simply recommend further work to ensure that the guidance document is consistent with the final adopted rule, particularly the section on compliance evaluation.

Thank you again for the opportunity to participate in the stakeholder process and to comment on the draft rules. Please feel free to contact me if you have questions about these comments or possible amendments.

Sincerely,



Geri Beardsley
Executive Director