



**Request for Low Carbon Fuel Standard Credit Generation Support
October 12, 2022**

Background

In 2021, the Washington State Legislature passed legislation establishing a Clean Fuel Standard (CFS). The Washington State Department of Ecology (DOE) will finalize rulemaking for the new program in the November 2022, with the intent to create a carbon credit generation marketplace, starting January 1, 2023.

This new law creates the possibility of credit generation opportunities for public transit operators in Washington State, specifically those operating on alternative fuels, renewable fuels, electrification, and hydrogen.

As a result of this legislation, the Washington State Transit Association (WSTA) is seeking consultant support in aggregating and marketing CFS credits on behalf of its membership.

WSTA is a nonprofit, representing 31 public transit agencies and the Washington State Dept. of Transportation (WSDOT). WSTA provides professional development through our committees and events and serves as voice of public transit by actively engaging in advocacy at the state and federal levels. Further, WSTA engages in statewide, regulatory, and state and federal legislative affairs in Washington State and Washington DC.

WSTA's membership is comprised of a diverse grouping of transit agencies who provide a variety of modes of services to their communities including light and heavy passenger rail, foot ferry services, vanpool and public rideshare, deviated, on demand, and fixed route services. In total over 250 million passenger trips are taken annually in the state. The membership is throughout the state in the form of three types of transit: urban, small Urban and rural. Urban agencies include those in the Central Puget Sound such as King County Metro, Sound Transit and Kitsap Transit as well as other urban agencies in Spokane and Vancouver, WA. Small Urban agencies are scattered throughout the state and include Ben Franklin Transit in the TriCities, Whatcom Transportation Authority in Whatcom County, LINK Transit in Chelan and Douglas Counties and Intercity Transit in Thurston County. Rural transit agencies make up the majority of WSTA members, roughly 15 agencies throughout the state of Washington including those along the Washington coast. For a full list of members please and to learn more about WSTA, please visit WSTA's website; [CLICK HERE](#).

WSTA's Board has directed WSTA staff to provide member support for the generation of CFS credits.

Possible expansion of program; WSTA has associate members who operate in Oregon and Montana, and if the opportunity and ability occur, WSTA is willing to provide this program to them. Further, WSTA is open to providing this service, for a fee, to our non-public transit agency members such as nonprofit providers or other local jurisdictions.



**Request for Low Carbon Fuel Standard Credit Generation Support
October 12, 2022**

WSTA is seeking to act as an agent to aggregate the needs of its members under a single contract that would serve to assist members in education and generation of CFS credits and realizing the credits. To that end, WSTA is seeking the following scope of services from an experienced consultant to achieve the following but not limited to goals:

- Maximize agency participation in CFS
- Maximize credit values for maximum revenue
- Low administrative requirements for both members and WSTA (managing staff)
- Increase participation in the program
- Transparency and accountability to the membership

Scope of Work

Start-up Tasks

The following two tasks are envisioned to prepare WSTA's members to participate in the CFS credit generation program. Prior to the CFS legislation the transit industry has had no experience with a CFS program. The following two tasks serve to educate WSTA members about the program and assess their ability to generate the data needed to create highest intensity CFS credits possible.

Task One: Member Education

In January provide at least 1, possibly 2 webinars to educate WSTA members on the CFS program, associated issues, credit generation opportunities, potential financial benefit, DOE reporting requirements, brokering of CFS credits, and other relevant program information. The webinar(s) would be expected not to exceed 90 minutes and offer the ability to receive an answer questions remotely.

Task Two: Member Needs Assessment

WSTA members operate multiple modes of public transit throughout Washington State.

Depending on when the facilities were built or most recently upgraded as well as the purchase of fleets, and the facilities and fleets will have a wide range of capabilities to monitor zero-emission consumption necessary to generate data required to produce credits. This assessment will need to examine each participant's current and future ability to generate data for the credit program.

For example, many agencies are in the beginning stages of fleet transition. They have or are about to install the infrastructure to support zero-emission fleets. With that said, some agencies have been operating and transition for several years. Each agency, who participates in the program will need to be assessed on their usage and credit generation, especially with the varying generations of facilities and equipment. The RFP should outline how the consultant will perform this assessment and display the data as an aggregate as well as displayed by member.



**Request for Low Carbon Fuel Standard Credit Generation Support
October 12, 2022**

This assessment should examine each facility to determine whether the facility can collect the data for each credit generation category and the ability to maximize credit generation in each category. The deliverable for this task is a brief report for each participating WSTA member identifying any equipment necessary to collect data for the CFS program (e.g., electric sub-meter, modifications to an electric circuit) and what data the member must collect to generate data, including the frequency, format, and level of detail necessary to support credit generation.

Further, develop a guidance document(s) that describes the CFS program and the process of credit generation and monetization applicable to public transit agencies. This guidance should detail the best practices used by agencies to maximize their credit opportunity:

- Accelerate of Zero-Emission Transition
- Install the appropriate infrastructure such as charging/network equipment, fueling station and storage for fuel-cell/hydrogen.
- Data management practices.
- Other applicable information to assist in growing the program.

This kind of guidance would be instructive to agencies that are still getting started.

Time will be of the essence for this task. Credit generation opportunities begin January 1, 2023, for members. The goal is for members to be ready to generate credits ASAP.

On-Going Tasks

The core of this scope of work will be the following tasks that will be needed on an on-going basis.

Task Three: Registration, Member Data Collection, Report Preparation, and Credit Generation

The proposal should advise WSTA on the best process for registration into the program. Determine if this should be done by individual agencies or through the WSTA aggregating program itself. This advisement should take into consideration the DOE rules established for the program, best practices and past experiences in operating an aggregated program,

Through WSTA, members would submit supporting data based on the frequency, format, and level of detail determined in Task Two to the selected consultant to prepare the necessary reports for submission to DOE in order to generate credits. The selected consultant will be responsible for maintaining a record of the number of credits generated by each WSTA member. The selected consultant will generate a series of individual statements describing how many credits were generated and documenting the calculation for each WSTA member. In addition, a summary statement detailing the total number of credits generated by WSTA members will also



**Request for Low Carbon Fuel Standard Credit Generation Support
October 12, 2022**

be prepared. These statements will be delivered within 30 days of the creation of the credits.

Task Four: Brokering of Credits and Remittance of Funds

Once generated, the selected consultant will be responsible for brokering the sale of those credits in one or more transactions at the highest possible price at the time of the transaction. No credits will be retained for the purpose of speculating on future increases in CFS credit prices. Every quarter, all credits generated should be sold within 60 days of credit generation. Upon completion of quarterly credit sales, the selected consultant will determine the average price per CFS credit generated and will generate a series of individual statements detailing the total gross revenue based upon the number of credits generated by that member and average price per CFS credit obtained through the sale for each WSTA member. In addition, a summary report detailing the total gross revenue generated by WSTA members will also be prepared.

These statements will be delivered within 15 days of the sale of the credits. Funds from the sale will be transferred to WSTA within 15 days of the sale of the transaction. WSTA will be responsible for disbursing funds, less costs, to WSTA members.

Task Five Ongoing WSTA and Member Education, Policy Updates, and Credit Generation Potential

Keep WSTA leadership including WSTA Advocacy Team up-to-date on changes or potential changes to laws or policy that relate to the Clean Fuel Standard program including legislation, pending legislation, Washington Administrative Code (WACs) changes by DES or other departments that may impact this program and the members.

Provide in-person updates to the WSTA Board of directors on the program at least twice early, including at the 4th Quarter Board meeting.

Provide an in-person educational session(s) at the Annual Public Transportation focused on CFS, policies, best practices, and future trends to the attendees.

Procure environmental attributes from renewable fuel projects, such as hydrogen, solar and wind, ect., to enhance credit generation as a “credit multiplier”.

Proposals should be **succinct** (no more than 10 pages, excluding appendixes) and describe the firm’s ability to provide the services described above in the following three areas below.

Experience

The proposal should briefly describe their experience with the CFS or other LCFS programs in other states, their understanding of DOE regulatory program rule making and pending requirements, and ability to market CFS credits while maximizing possible revenue. The proposal should describe



**Request for Low Carbon Fuel Standard Credit Generation Support
October 12, 2022**

similar work completed for other clients in terms of educating those clients regarding the CFS program, generating credits, and marketing credits. The proposal should also document the client's existing and successful DOE relationship and how the consultant can use their familiarity with DOE/other programs to address issues described in the scope of work above.

Approach

The proposal should describe the consultant's approach to fulfilling each of the tasks described in the above scope of work as well as achieve the goals outlined in the background.

The description of the firm's approach should include staffing available to support agencies across the state for the tasks described, including as needed site visits.

The consultant's ability to monetize the CFS credits and demonstrate their ability to meet the schedule described in the above scope of work should be described in detail. The proposal should also identify the use of sub-contractors to complete any of the tasks described above, identifying the firm and their proposed role.

Method of Compensation

WSTA is interested in exploring innovative methods of compensation. WSTA's goals for this contract are to (1) maximize revenue for its members, (2) minimize any initial outlay of funds, and (3) minimize risk that may occur due to credit market fluctuations or unanticipated issues. WSTA is aware that different firms may prefer different approaches to compensation. Different approaches that WSTA is currently considering include (1) time and materials with a not-to-exceed amount, or (2) a percent of revenue with a not-to-exceed amount. The proposal must include a cost proposal and may propose multiple methods of compensation. WSTA will consider all innovative compensation methods and the final details of compensation will be negotiated with the selected consultant. If terms satisfactory to both WSTA and the initially selected consultant cannot be reached, WSTA will proceed with negotiations with the next ranked consultant.

Term of Contract

The term of contract is expected to be two years. However, that term is subject to negotiation along with the terms of compensation described above. WSTA is open to alternative terms that suit the goals of this request.

Questions on the RFP

Questions on the RFP should be submitted in writing to Justin D. Leighton, justin@watrasnit.com no later than October 25, 2022 at 5:00pm PDT. Responses will be provided to the complete RFP distribution by October 31, 2022.

Due Date

Proposals must be submitted to Justin D. Leighton, justin@watransit.com and must be received by November 4, 2022 at 5:00pm PDT