

**WAC 173-424-130 Exemptions.** (1) **Exempt fuels.** The CFP rule does not apply to transportation fuel supplied in Washington if an aggregated quantity of less than 360,000 gasoline gallon equivalent (42.6 million MJ) per year as measured by all providers of such fuel.

(2) **Exempt fuel uses.**

(a) Transportation fuels supplied for use in any of the following motor vehicles are exempt from regulated fuels definition:

(i) Aircraft. This includes conventional jet fuel or aviation gasoline, and alternative jet fuel;

(ii) Vessels;

(iii) Railroad locomotive applications; and

(iv) Military tactical vehicles and tactical support equipment.

(b) The following transportation fuels are exempt from carbon intensity reduction requirements until January 1, 2028:

(i) Special fuel used in off-road vehicles used primarily to transport logs;

(ii) Dyed special fuel used in vehicles that are not designed primarily to transport persons or property, that are not designed to be primarily operated on highways, and that are used primarily for construction work including, but not limited to, mining and timber harvest operations; and

(iii) Dyed special fuel used for agricultural purposes exempt from chapter 82.38 RCW.

(c) Fuels listed under (a) and (b) of this subsection are eligible to generate credits.

(3) To claim exemption for regulated fuel under subsection (2) of this section, the regulated party must document that the fuel was supplied for use in motor vehicles listed in subsection (2) of this section.

(a) The method of documentation must include:

(i) Individual receipts or invoices for each fuel sale claimed as exempt that list the specific customer and exempt vehicle type;

(ii) If the fuel is sold through a dedicated tank for a single customer, electronic or paper records that document that the customer's vehicle(s) being fueled are in an exempt category under subsection (2) of this section, and that the tank is not used to fuel any other vehicles; or

(iii) Other comparable documentation approved in writing by ecology and prior to exemptions being claimed. The documentation must, at a minimum:

(A) Establish that the fuel was sold through a dedicated source or single supplier to use in one of the specified motor vehicles listed in subsection (2) of this section; or

(B) For each fuel transaction if the fuel is not sold through a dedicated source.

(b) The person asserting the exemption of fuel under subsection (2) of this section must maintain the records specified under subsection (2)(a) of this section for seven years, and submit to ecology upon request, records demonstrating adherence to these conditions.

[Statutory Authority: Chapter 70A.535 RCW. WSR 22-24-004 (Order 21-04), § 173-424-130, filed 11/28/22, effective 12/29/22.]