

# Oregon Clean Fuels Program Expansion 2022

## Summary

### Rulemaking Advisory Committee Meeting #3

**Date:** March 31, 2022, 10 a.m. – 4 p.m.

**Location:** Zoom Webinar

#### RAC Members in attendance

- Maya Kelty, 3 Degrees
- Mark Bunch, BP
- John Thornton, Clean Future
- Victoria Paykar, Climate Solutions
- Madeline Reznik, Columbia Willamette Clean Cities Coalition
- Nick Staub, Ed Staub
- Jason Heuser, EWEB
- Jeff Earl, Clean Fuels Alliance America
- Alex Schay, NW Alliance for Clean Transportation
- Mike Freese, Oregon Fuels Association
- Eva DeCesaro, PGE
- David Breen, Port of Portland
- Curtis Powers, REG
- Martina Steinkusz, Renewable Hydrogen Association
- Sam Wade, RNG Coalition
- Jon Constantino, RPMG
- Dan Bowerson, Alliance for Automotive Innovation
- Mason Murphy, Confederated Tribes of Umatilla
- Nora Apter, Oregon Environmental Council
- Jeremy Martin, Union of Concerned Scientists
- Sergio Lopez, Verde
- Matt Solak, Pacific Propane Gas Association
- Jim Verburg, Western States Petroleum Association

#### DEQ staff/facilitators in attendance

- Colin McConnaha, Office of GHG Programs Manager
- Cory-Ann Wind, Clean Fuels Program Manager
- Bill Peters, CFP Markets Analyst
- Kiara Winans, CFP Pathways Specialist
- Stephanie Summers, CFP Reporting Specialist
- Jamie Damon, Senior Facilitator
- Gillian Garber-Yonts, Facilitation Team

#### List of handouts and presentation notes

- Agenda
- Targets Memo
- Additional Considerations Memo
- Presentation



State of Oregon  
Department of  
Environmental  
Quality

#### Oregon Clean Fuels Program

700 NE Multnomah St.,  
Suite 600  
Portland, OR 97232

Program e-mail:

[OregonCleanFuels@deq.oregon.gov](mailto:OregonCleanFuels@deq.oregon.gov)

Rulemaking e-mail:

[CFP.2022@deq.oregon.gov](mailto:CFP.2022@deq.oregon.gov)

Program web page:

<https://www.oregon.gov/deq/ghgp/cfp/Pages/default.aspx>

Agency web page:

[www.oregon.gov/DEQ](http://www.oregon.gov/DEQ)

*DEQ is a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.*

<b>Time</b>	<b>Topic</b>
9:45 a.m.	Webinar Setup and Login
10 a.m.	A. Welcome and Introductions
10:10 a.m.	B. Big Picture Recap of RAC Meetings and Workshops
10:20 a.m.	C. Overview of the UC Davis Study: Impacts of the Clean Fuels Program
10:40 a.m.	D. Overview of the Clean Fuels Program Review to the 2022 Legislature
11 p.m.	E. Presentation and Discussion: Target Setting
12 p.m.	Lunch
1 p.m.	F. Feedback and Discussion: Additional Proposals Under Consideration
3:30 p.m.	G. Public Comments
3:50 p.m.	H. Next Steps
4 p.m.	I. Adjourn meeting

## **Welcome and Introductions**

Jamie Damon, Lead Facilitator, welcomed the RAC members and the audience to the DEQ Clean Fuels RAC Meeting #3. She shared brief instructions on using the zoom webinar platform, reviewed the meeting agenda, shared an overview of the meeting guidelines, and provided instructions to the public on sharing their comments and questions during the meeting.

Jamie asked the attendees to open a web browser and go to “Menti.com,” to respond to a poll asking them to share their affiliation with the group.

RAC members shared their name, affiliation, and their interest in the rulemaking process. RAC members were also asked to share the name of their alternate.

## **Committee Business**

Jamie Damon covered the meeting ground rules and reviewed the RAC #3 Meeting agenda.

Cory-Ann Wind, Oregon Clean Fuels Program Manager, introduced herself as well as the Clean Fuels Program Project Team.

## **Big Picture Recap of RAC Meetings and Workshops**

Cory-Ann provided a brief recap of the DEQ Clean Fuels RAC meetings and Workshops. No questions or comments were shared at this time.

## **Overview of the UC Davis Study: Impacts of the Clean Fuels Program**

Cory-Ann shared a summary of the expected air quality co-benefits of Oregon’s proposed expanded CFP. (slides #10-14 [presentation](#)). She noted that the modeling has been a part of a study conducted by University of California, Davis. She shared that the draft report is nearly complete and DEQ will be scheduling an April webinar to cover the report. The following are questions and comments received on this topic.

**Question:** Is this business as usual? Are the assumptions from before the adoption of the CPP and can they be updated? I think these numbers are flawed if we don't include the CPP. I don't think these are accurate, and thus the reductions would not be accurate when we talk about cost benefit.

*Response: The modeling study is in progress with UC Davis. We can have a conversation about what we do after that work is completed.*

**Question:** With regard to co-benefits, when you modeled these, did you account for emissions from additional electricity requirements? Are you assuming additional electricity demand is coming from non-emitting sources?

*Response: In both scenarios A and C, DEQ built in assumptions for ZEV regulation as there is more electricity to satisfy compliance with those regulations. That electricity is coming from the statewide grid mix.*

**Question:** Are we assuming that the state hits the ZEV targets under regulation? Or are there scenarios where we don't? Has DEQ included cost estimates for hitting those targets?

*Response: Yes, it does assume we meet the regulations we have adopted. This study didn't go into the cost to do that.*

*Response: Does the "business as usual" include those assumptions as well?*

*Response: No.*

*Response: I think we have to include the assumptions. The reduction numbers are inaccurate because the baseline is wrong. The CFP is taking responsibility for other regulations.*

*Response: We have described it by saying there is an overlap between the ZEV regulations passed in the agency and the CFP.*

*Response: I think it is inaccurate to say that the CFP will hit these reduction targets when the baseline is inaccurate. DEQ needs to update the baseline to understand reductions.*

**Question:** Is this the totality of emissions from tailpipes? This could underestimate benefits.

*Response: We have tailpipe emissions and are trying to show what the health impacts are. Cory-Ann elaborated with the information on slide #13.*

**Comment:** The study we did was focused on health impacts, and the key parameter is the change from one scenario to another. So, while the reductions as a percentage of the state total might change with a different baseline, it is unlikely to have a significant impact on the health impacts.

**Comment:** I think we often see that there is not a full accounting of benefits when you think about the full scope of the damage done by the transportation sector. For the CFP, things would not accelerate as quickly, and process improvements would not be made. We are also not capturing all out of state benefits of the program. I know that conversation is often focused on costs, and we don't get a full accounting of the of benefits.

## Overview of the Clean Fuels Program Review to the 2022 Legislature

Cory-Ann shared an update on the Clean Fuels Program Review to the Legislature (slide #15-18) [presentation](#)). The following are questions and comments received on this topic.

**Question:** Thanks for the overview. What effect are rising petroleum prices having on the CFP?

*Response: DEQ doesn't have any data that is that recent.*

**Question:** Was this presented to the legislature in writing or was it a presentation. Was there any feedback?

*Response: No, this was submitted electronically. There may be some briefings going on with legislators in the interim, but that would be left up to the interim committees.*

## Presentation and Discussion: Target Setting

Cory-Ann provided an overview of the Target Setting Memo (slide #19-25 [presentation](#)). Jamie Damon asked the RAC members to go once around the table and provide their thoughts and feedback regarding the Target Setting presentation.

**Comment [REG]:** I want to bring up that California and British Columbia are scheduled for 20% reduction by 2030. Tshehe BC Road Map is looking at 30% reduction by 2030. Anything we can do to reduce carbon emissions now is good. If there is any way to frontload the curve, that would be great. There is a backstop each year, meaning the standard could be frozen if necessary. Doing more now, or as soon as possible is my preference.

**Comment [Alliance for Automotive Innovation]:** I am interested in looking at the UC Davis study and attending the webinar. I look forward to digging into the analysis and modeling.

**Comment [Port of Portland]:** I appreciate all of the deep thinking that went into this. When we look at rationale, one of the bullets is to be in alignment on the west coast. If the economics favor California, we won't be in alignment and that will hurt our priorities. I think when we look at numerical reductions, we need to look at leveling the California and Washington playing field. One clarification, we are not on the cusp of renewable commercial aviation fuel. The Oregon sustainable aviation fuel CI pathways are critical to help drive the economics. The potential for SAF use is tremendous and could deliver tremendous benefits. It is important to keep the benefits local.

**Comment [PGE]:** PGE participates in the CFP as a credit generator as well as on behalf of residential customers. I do not have any specific comments. We are in accordance with seeing ourselves as stewards for residential customers and want to see that the benefits go to communities in Oregon. Our interest is to keep the benefits here in Oregon.

**Comment [Oregon Trucking Association]:** I think that when we are thinking about medium and heavy-duty vehicles, the transition will be different than with passenger vehicles. Other fuel choices are good interim steps. The comment about California is pertinent as well in terms of supplies going south. I think the transition for the trucking industry will be challenging. We are hoping the program will not make the industry compete with out of state competitors. Fuel costs are a large part of the expenses for the industry.

**Comment [Clean Fuels Alliance of America]:** We support the current CI targets but encourage DEQ to go further. California is looking at 25% CI reduction by 2030 and I encourage DEQ to look at the same. We would like to see the same for other crop base biofuels like soy.

**Comment [Union of Concerned Scientists]:** I think the targets and the rationale are sound. I am interested in having the most ambitious targets that are plausible.

**Comment [RPMG]:** Thank you to DEQ for the presentation, we appreciate the preview of this information. We as stakeholders and industry members are inundated with a lot of information. We will probably have more comments that we will submit. My high-level thoughts are that we support the agencies effort to keep the program fuel and technology agnostic. I know that for biofuels that inclusion remains essential for the heavy and light duty sectors. The program safeguards are sufficient. The fuel forecasting can be a lot of information to take in.

**Comment [Western States Petroleum Association]:** I want to echo the comments that we are inundated with tasks. These targets are very aggressive. We are going to take a look at them from a technical aspect. I believe it is scenario A plus a 25% renewable diesel target. I want to caution that these are aggressive targets and want to make sure they are achievable.

**Comment [BP]:** Having a robust cost containment mechanism is important. The fuel forecasting process in Oregon does give confidence and provide a safety net, subsequently encouraging ambitiousness. There is more upside to being ambitious than there is to being timid. We are linking targets with a broader scope of credit generation. We are excited to look at refinery projects and biofuels. There is still a big reliance on EV generated credits. The phasing of these opportunities will be important. Some opportunities like refinery projects have long lead times to bring in. Collaborating with California and Washington will mean that the sum will be greater than the parts. If there is anything that is being talked about that won't be in the current rulemaking, it would be good to hear when they will be considered in a future rulemaking.

**Comment [Renewable Hydrogen Association]:** We are glad to hear DEQ is considering other sectors. I haven't heard the marine sector mentioned in the context of clean fuels. We are in a climate emergency, and we feel that the timeline of 2029 may be too late. I think it would be good to check in on other progressive state timelines. What is the collaboration with neighboring states? This legislative session in Washington, senate bill 5910 was passed which created the Washington Office of Renewable Fuels and a renewable hydrogen strategy. I encourage DEQ to look at opportunities to work together. With regard to the BAU scenarios, I am curious what mechanisms we have in place and how the mechanism can react to current world market events when we look at local vs imported fuels.

**Comment [Pacific Propane Gas Association]:** We appreciate DEQ's recognition that meeting some of these targets should come from a wide range of low carbon fuels. Having the department find that number in order to continue to develop marketplaces for alternative fuels will be critical. We are new to renewable propane, setting a target goal will encourage development of the marketplace. Our delivery trucks are diesel or propane. Those are the two options right now and we would like to see the continued applicability of those fuels in the program moving forward.

**Comment [3 Degrees]:** We agree with the ambition of the targets. This gives participants the confidence they need to invest. We would encourage DEQ to think about policy aimed at solving the chicken and egg infrastructure deployment issue.

**Comment [Oregon Fuels Association]:** I am nervous about the direction this is going and so are my clients. We are concerned about the 37% target. I think the more prudent approach to stabilize markets would be to stick with the 25%, which is more in line with what other states are doing. The 2030 date seems to be in alignment, but everything else is out of alignment. We have not spent much time thinking about impacts to Oregonians. I am concerned about the cost benefit analysis. A stable market is important and will make sure Oregonians have a stable price at the pump. If community members can't afford fuel or they live in a part of the state that doesn't allow certain technologies to persist, then we are in a position where we're relying on out of state fuels that don't have a stable way to get to consumers. If we are wrong and there is a robust market, then DEQ can come back in 2-4 years. We don't need to do this in such an aggressive manner now.

**Comment [Ed Staub]:** We listed the risk of setting targets too low, but not too high. Energy inequality is a big deal. If we set targets too high, we will be competing with California, Washington, and Canada, and it will affect low-income families. The safety valve is a problem because you can't be sure that fuel will be there. The supply of fossil fuels won't be there if it is not consistent. As a supplier on the eastern side of the state, we are at huge disadvantage. The supply points are unknown, and we think they will be on the west side of the state. Our cost will go through the roof, or we will not be able to comply. Cold weather will be an issue as we mix our fuels and there is no additive that we can use to make renewables work. There is an additive for bio, but the supply is not there. The temperatures on the eastern side of the state are prohibitive. I am skeptical at this point but am all in for renewable diesel.

**Comment [Oregon Environmental Council]:** I echo strong support for these proposed targets. We have heard from others that we are in a climate emergency. We just saw another report from IPCC which underscored the need to rapidly reduce our dependence on fossil fuels. These proposed targets are in line with the necessary ambition. These will help create jobs, improve public health, and create investments in local communities and economies. We continue to urge DEQ to be thoughtful about the fuel pathways that could encourage these. We are excited about new opportunities for electrification. These stronger targets will help protect consumers from price fluctuations that are happening on a global scale.

**Comment [RNG Coalition]:** We applaud the continued ambition of this program. We support a shift to a more balanced set of fuels. This increased ambition is justified by the supply response we have seen. For RNG, this is one of the most important drivers. We think Oregon is on the right track and will be in line with other jurisdictions. We support UC Davis as a good place to turn to experts and believe that their tools can predict what supply will look like.

**Comment [Verde]:** We support the ambitious efforts of the CFP. I know there is a concern about high energy utility costs for low-income households. House Bill 2475 was a bi-partisan vote and proves that there are other efforts to cover efficient costs of energy.

**Comment [Climate Solutions]:** Thanks for all of your work. We agree with DEQs proposal to increase the standard, it aligns with other states, CPP, and our climate goals. The CFP is only affecting prices at the pump by a couple cents per year. Considering that gas prices have gone up about \$2, the bigger issue is the price fluctuation of fossil fuels. DEQ should continue to support electric charging infrastructure and prioritize profits for low-income Oregonians, so that prices for public charging infrastructure are the same as private charging infrastructure. We want to meet the access need for lower income Oregonians.

**Comment [EWEB]:** We are a credit aggregator for residential charging. Reinvesting has been a critical part of Eugene’s climate action plan. I commend DEQ for their thinking. In the electric sector we could have a clean grid now, but it would be a very high cost. Bringing down the cost of technologies and fuels will be important. We are coming up on the 15-year anniversary of Oregon’s renewable portfolio standard law for the electric sector. We were concerned about cost at the time, but it has been a success story. To my knowledge the cost offramps have rarely been used. If you have confidence in your offramps and circuit breakers, why not be ambitious? It has worked in the electric sector. Thank you for the thought and detail on this.

**Comment [Public Attendee]:** Thank you DEQ. I wanted to take a right turn on the conversation and bring it to Oregon. Looking at the executive summary, the three tenets are clean fuels, improving the health of Oregonians, and spurring investment. I have been learning that the existential threat to Oregon is water scarcity in Eastern Oregon. This issue is particularly relevant to Jackson County. I would like us to consider adding a fourth leg, black soot. I think the perspectives of agricultural workers and farmers will be important to include in this conversation. I think making climate GHG reduction and improving water quality should be our focuses. Thank you for the opportunity to comment.

**Comment [Public Attendee]:** Thank you to Oregon DEQ for setting these very ambitious goals. We are glad to see you aligning your goals with California and British Columbia. We do have suggestions for additional credit generation opportunities. Rail and ocean-going vessels are expressing interest in being potential opt-in users of renewable fuels and could be a source of credits. Another opt in option is from stationary generators, which are increasingly common. It has come to our attention that there is a lot of interest for those that own stationary generators to opt in, so they can use renewable fuels. I think those three additions will generate increased usage of renewable fuels.

*Response: I appreciate all of the comments today. I hear support for the aggressive comments and also the need for the market and infrastructure to respond in Oregon to serve Oregonians. I also hear the need to address equity issues with all of the state’s communities.*

*Response: I take seriously the concerns about these proposed targets, whether they are ambitious enough in the early years and the concerns that we are too aggressive. We see that this ramps up the pace of production significantly in the second half of the program. We hear that if we have faith in our cost containment measures, we should be confident. We as staff have faith in their efficacy.*

## **Feedback and Discussion: Additional Proposals Under Consideration**

Cory-Ann shared an introduction to the additional proposals under DEQ consideration. (slide #27-38 [presentation](#)). She shared that the proposals presented would progress in complexity as the presentation continues.

### **Proposal #1: Simple Updates for Reporting**

Cory-Ann shared the first simple updates for reporting. The following are questions and comments received.

**Question:** On “A”, how granular do you want? We generally know state or county, but not exactly where it goes.

*Response: This is mostly so we can know if the fuel is being transported out of the State of Oregon. We particularly need to know if it is in state or out of state.*

**Question:** On the product transfer document, there are times you may not know whether product has gone out of state or not. It sounds like you have thought of that, is that correct?

*Response: Yes, we understand that. We have left an option for if you don't know. We talked about this during the reporting workshop. If there is another consideration, please let us know.*

**Comment:** I am with Shell. If we are selling to someone who is planning to do a flash sale, should we select "I don't know?" Sometimes we don't know what happens to the fuel after we sell it.

*Response: You report it as you know it. If you don't know when the reporting is due, you can say that. Often the reconciliation reports will be helpful.*

## **Proposal #2 – 9: Other Updates**

Cory-Ann covered updates #2-9. The following are questions and comments received.

**Question:** On number five, it looks like a component addresses electrolysis of water from solar and wind. Was there a reason to exclude hydropower or nuclear, and would it be an alternative to say electricity derived from a source that has no fossil fuel?

*Response: The short answer is that we were pulling the definition that California uses. That was only proposed for use in the advanced crediting rules. Electrolysis, if it's dedicated, could get a specific CI. We already have a lookup table value for BPA power that is being used for electrolysis and hydrogen CI resulting from that. It's not meant to create a limitation on any of the pathways that hydrogen can be created from on the electrolysis side. It's just defining that term.*

**Question:** Are we going to talk about clarifying language for documenting exempt fuels? I know that language was vague.

*Response: Before we had it where you could go in and report it on a transaction basis, or submit specified documentation that showed that the purchaser of a fuel was using it in a certain category. We didn't further clarify the categories. If there were vehicles that need further explanation, you can go back and look at those rules.*

**Question:** I have customers who have big bulk tanks where they have a big load of dyed fuel. Who is responsible for tracking that? Today anything that is dyed is exempt, but we don't know when we talk about the bulk sale.

*Response: The dyed fuel is not exempt under our fuel regulations. That is why we have different categories. In the case it is going into a tank where you don't have a clear record, that is a case where we probably would not approve.*

*Response: We have exemptions that were given to us by the legislature. There are a lot of uses of dyed diesel that are exempt under our program. We have tried to tell people not to use the dyed status of the fuel as a case for if the fuel is exempt or not.*

**Comment:** For someone who has both exempt and non-exempt fuel coming out of the same tank, they would need to put in a card lock system that can decide for that transaction. Would there be any help to implement that system? Installing that system could be anywhere from \$5,000 to \$30,000, depending on the size of the fleet.



*Response: We would need to think about that. There are some other ways for the customer to document the percentage of fuels going to exempt or nonexempt vehicles. We don't require an electronic system; we just require documentation. We have discussed written logs in the past. We have also kept the third provision to assist with this. If you are thinking through this issue, please get in touch with us and we can work to support you.*

**Comment:** On the hydrogen question, we would like you to consider expanding the definition of what qualifies as renewable to include the steam method of reform and not just bio methane. Bio methane has a very narrow definition in California. We'd like to expand that to include any kind of renewable hydrocarbon gases. One thought for instance, is that a renewable diesel plant doesn't generate a pure propane stream. These gases should qualify for the production of renewable hydrogen.

On the biodiesel renewable diesel error, is that an issue that was also in the card calculator or is that specific to Oregon. What is it exactly? What kind of data are we looking at?

*Response: I sent a link in the chat. It is not unique to the Oregon calculator.*

**Question:** On number two, is that going to apply to other programs? It seems like there are other possible uses of the RNG.

*Response: That is required. We are aligning with other rules.*

**Comment:** It is also under the CPP. I have a concern about what renewable hydrogen is and I have a preference to keep it to green hydrogen.

**Question:** On number five, the hydrogen sector is moving quickly internationally. There is a lot of discussion. There have been some proposed definitions including a clean hydrogen definition. We expect a hydrogen strategy roadmap to be posted by the Department of Energy on May 15. Definitions are being discussed in collaboration with other nations. Is your state agency looking at what is happening on the federal level? We want to avoid having different definitions.

*Response: DEQ is working with our Department of Energy partners. There is a renewable hydrogen workgroup that is meeting. If there is something new that comes out in May, we will look at it. That should be enough time to get it in the rules.*

## **Proposal #10: Create Hierarchy for Credit Generation**

Cory-Ann covered update #10. The following are questions and comments received.

**Question:** I support the renewable propane process. On the fossil propane, why was the forklift operator chosen? That is different for California.

*Response: In some cases, we don't expect forklifts to have fuel supply equipment. If folks have comments, please share them. We were trying to get down to one.*

**Comment:** I do get a bit nervous because I could be going through two people instead of one.

**Question:** I assume electric cargo handling equipment includes aircraft ground support equipment, is that right?

*Response: We will handle that when we talk about the proposal.*

**Question:** For renewable propane, it is difficult to try to prove it went into a vehicle. We often have one large propane tank that we receive by rail. We then deliver it to customers on route. The fuel gets mixed in with the two types of propane.

*Response: Renewable propane carries a much lower CI. If you reflect that in the price or agreement, I think that is what would dictate your ability to track the fuel. In most cases there is a customer requesting that product, and that is how it is being tracked. If you are not tracking that, it is up to the provider as to how they report it.*

**Comment:** We are tracking what tank by use it goes to. The difficulty would be in showing that it is the renewable gallon. We are already doing what you are saying for auto gas.

*Response: We can support this question offline.*

**Question:** For electric forklifts, why is it the forklift owner and not the charging equipment owner? There are many instances where the forklift is leased or rented.

*Response: There are a lot of details with the forklifts. We proposed the owner and are trying to be clear as to who the first credit generator is. Anything subsequent to that can be handled outside the rules contractually. If you feel someone else should be that entity, please submit comments for that.*

**Question:** Why does fossil propane get credits?

*Response: Fossil propane has a slightly lower CI than gas or diesel. It generates some credits, but not many.*

### **Proposal #11: Change of Ownership, Control or Bankruptcy Provisions**

Cory-Ann covered update #11. No questions or comments were received.

### **Proposal #12: Add new EER for eGSE**

Cory-Ann covered update #12. The following are questions and comments received.

**Comment:** I appreciate the due diligence and level of outreach. These are excellent outcomes that will help us work with airlines. I fully support these proposals.

**Question:** I support an EER value for eGSE. Will this apply to any other electric GSE at an airport?

*Response: We have an administrative process and rulemaking process for adding new EERs. If there are additional considerations, we can accept an application with that information at any time throughout the administrative process. The data requirements for that are outlined in our regulation.*

**Comment:** The proposed EER value would only apply to the baggage tractors, belt loaders, and pushbacks. We will get written comments for you. We will be commenting on the proposal to establish the charging station owner as the credit generator. In our view, to incent uptake of equipment, it is best for the initial credit generator to be the equipment owner.

**Comment:** Similar to cargo handling equipment, the infrastructure owner carries the risk. I think the infrastructure owner should be the first credit owner and that they should then assign through the aggregation process.

*Response: This is a proposal about the first right to credit generation. We anticipate agreements to spread value of the credit. The consideration we made was on implementation.*

**Question:** Regarding the eGSE EER of 3.2, is it applicable to light, medium and heavy-duty equipment?

*Response: There is certain equipment that is used through other EERs established under the program. This proposed EER applies to this specific equipment, baggage tractors, belt loaders, and pushbacks.*

**Question:** Is the issue on the Biodiesel/Renewable Diesel Simplified Calculator only on the Biodiesel tab and not the renewable diesel tab?

*Response: Yes.*

### **Proposal #13: Correct the Definition of eOGV**

Cory-Ann covered update #13. No questions or comments were received.

### **Proposal #14: Require Additional Documentation for Credit Transaction**

Cory-Ann covered update #14. The following are questions and comments received.

**Comment:** We will follow up on this. There are challenges with this. Sometimes contracts don't get signed, so I would make it about the deal of the trade.

**Question:** Why isn't the credit transfer form sufficient? Why do you need a full contract?

*Response: The intent is to better understand the universe of credit transfers. There have been deals that are complex and involve trading credits for a commodity, or the credits aren't assigned a specific value. We want to understand why the credits are being transferred.*

**Comment:** You could request that if you have a question as opposed to having to provide that on every transaction.

*Response: That is more for longer term deals, or when settlements are happening after the deal was reached. Please share comments if you have them.*

**Question:** I don't think we have any issue with this. Sometimes transactions happen within ten days, and sometimes they go on beyond that. We try to set the effective date based on these rules. Our analyst is asking if DEQ is planning to share findings about how this might affect the market?

*Response: That is a good question. We are continuously trying to figure out how to present information. Figuring out some report-out may be helpful to discuss roles on credit transfers. We don't have any active plans.*

**Comment:** I am thinking where we might have an ongoing agreement for credit transfers that happens annually, but the agreement goes on. Do you envision that we submit the agreement every time the annual transaction happens?

*Response: I will follow up offline.*

**Question:** Are you looking for differentiating type one or type two transactions like California?

*Response: Yes.*

**Comment:** I suggest you implement the function California has where you can see if it is current or beyond 10 days. If DEQ is concerned about tracking that it ought to be made available to market participants.

### **Proposal #15: Establish Process to Add New Transaction Types in OFRS**

Cory-Ann covered update #15. The following are questions and comments received.

**Comment:** A few of our members have concerns over the changes they would have to make to their reporting systems. We appreciate the 30-day comment period. Please refer to our comments from the Reporting Workshop.

*Response: Part of this is the consideration of how much lead time there will be. Depending on the transaction, there could be a lot of lead time. We will factor that into how this gets rolled out.*

### **Proposal #16: Post-Verification Credit Generation Adjustment**

Cory-Ann covered update #16. The following are questions and comments received.

**Question:** We support this. Is it that it has to be at least 1g/megajoule?

*Response: Yes.*

**Question:** Is this another one that applies particularly to liquid fuels and not electricity?

*Response: The electricity transactions are not required to go through third party verification in addition to the fact that DEQ does the CI for electricity.*

**Question:** I like this. All of our fuel production facilities are registered for pathways and not reporting. Is there a way my marketing facility could register on their behalf?

*Response: If they are the pathway holders, the intent was to have them register in the program.*

*Response: In the case where everyone is related to each other in the company, we would allow one arm of the company to report for other arms. The point was to make sure we had a clear reporting tool entity.*

**Comment:** If there is a way we could do it for the one company that would be good.

**Question:** I just have a question about the CI piece. I understand it is at least one gram or better, but is the beneficial number of credits one and beyond, or one up to the operational CI?

*Response: It would be inclusive. It would be measured from the certified CI. The operational CI is just to limit the relatively small variations.*

**Question:** I have a question about how far back you are going to look for this post verification credit adjustment. Using 2021 as the year that was verified, the CI came in 1 g lower. Would the adjustment go back through 2021 or through 2020?

*Response: Just to 2021. It is on an annual cycle.*

## Proposal #17: Add Hydrogen to Advance Crediting Provisions

Cory-Ann covered update #17. The following are questions and comments received.

**Question:** I am glad you will continue the conversation on book and claim for hydrogen but am disappointed it won't happen in this rulemaking. We appreciate the extension of the advanced crediting to hydrogen. Is the requirement that hydrogen must be renewable to apply for advanced crediting, or is the contractual agreement only required if renewable hydrogen is used?

*Response: it is for if renewable hydrogen or low CI hydrogen is being claimed. If someone is using a low CI for hydrogen, that is where we want a contract so we can see what credits for hydrogen will actually be generated.*

**Question:** Are there any changes to the other provisions? Will there be new provisions that will enable this in private fleets?

*Response: We are not considering any other changes for credit eligibility at this time. Once we have some information, we may consider changes in a future rulemaking. We would need assurance that the vehicles would remain in Oregon.*

**Comment:** In the future, with the advanced clean trucks regulation and clean fleets regulations, I would think that both electric vehicle and fuel cell vehicles would benefit from the expansion of this to private fleets as well.

*Response: We are trying to remain aligned with the ZEV regulations that are adopted and planned. This is looking at transit, and school busses. As Bill said, because we haven't conducted an application window to see uptake, we currently have a cap on the amount of credits we can issue.*

## Public Comments

None.

## Next Steps

Cory-Ann requested that any further public comments be submitted by April 14, 2022. She shared that the DEQ Clean Fuels RAC #4 will take place on Thursday, May 26.

Cory-Ann thanked the RAC members and the audience for joining in the conversation. The meeting was adjourned.

## Meeting Chat

Chat: Hi There, I'm here as the alternate for Greg Alderson at PGE

Chat: This is Jon Costantino. I will be the Proxy today for Jessica from RPMG

Chat: Clean Fuels Program Expansion 2022 page here:  
<https://www.oregon.gov/deq/rulemaking/Pages/cfp2022.aspx>

Chat: Menti Code: 1068 9555

Chat: would you send the list of the RAC members - I cannot recall if I am on it.

Chat: Production of Transportation Fuel

Chat: Internet dropped off. Just rejoining

Chat: Yes, I'm online, and yes, the draft report is 99% done.

Chat: Before we plan to rely 90% on battery-electric vehicle (BEV) technology by 2035, my constituents would appreciate an opportunity to review a commercial proposal for delivery of a tractor that: 1. Has a range of 500 miles, and 2. can run heavy at 105,500 lbs. Please advise.

Chat: The study we did was focused on health impacts, and the key parameter is the change from one scenario to another. So, while the reductions as a percentage of state total might change with a different baseline, it is unlikely to have a significant impact on the health impacts.

Chat: Related article from Scientific American:

<https://www.scientificamerican.com/article/car-exhaust-premature-birth/#:~:text=Car%20Exhaust%20Associated%20With%20Premature%20Births%20in%20Southern%20California,-Mothers%20living%20near&text=Women%20exposed%20to%20air%20pollution,of%20California%20scientists%20published%20Wednesday>

Chat: Nora: You're right that there are other pollutants, and they're included in the report, but given the atmospheric conditions in Oregon, they do not yield a particularly significant impact on health outcomes. PM ends up driving the vast majority of health outcomes in studies like this.

Chat: Sorry, to correct my previous statement, they do not yield a particularly significant impact on mortality

Chat: Program Review to the Legislature:

<https://www.oregon.gov/deq/ghgp/Documents/CFP-ProgramReview.pdf>

Chat: Proposed Targets Memo:

<https://www.oregon.gov/deq/rulemaking/Documents/cfp2022m3Targets.pdf>

Chat: Hi Jamie - just wanted to flag that I'll be dropping off for about an hour and my colleague Nate Schuster will be joining as the 3Degrees RAC rep.

Chat: Thank you for letting us know Maya. I will promote Nate.

Chat: Opportunities for Additional Credit Generation (ICF):  
<https://www.oregon.gov/deq/rulemaking/Documents/cfp2022m3CreditGeneration.pdf>

Chat: I think your own name is always top of list :-)

Chat: pg 28 for BC LCFS note on 30% by 2030 for consideration -  
[https://www2.gov.bc.ca/assets/gov/environment/climate-change/action/cleanbc/cleanbc\\_roadmap\\_2030.pdf](https://www2.gov.bc.ca/assets/gov/environment/climate-change/action/cleanbc/cleanbc_roadmap_2030.pdf)

Chat: Dan Bowerson was hard to hear. The sound was not clear.

Chat: Proposed Targets Memo:  
<https://www.oregon.gov/deq/rulemaking/Documents/cfp2022m3Targets.pdf>

Chat: Can we get identifications with full names, not just acronyms?

Chat: Thanks, Jamie

Chat: FYI, not sure if I fully identified myself or my acronym, but I work an NGO called for the Union of Concerned Scientists. I focus on fuel policy within our Clean Transportation Program.

Chat: Curtis Powers, Renewable Energy Group (REG) - [www.regi.com](http://www.regi.com) for more info

Chat: Eva DeCesaro with Portland General Electric (PGE), Oregon's largest electric utility  
Eva DeCesaro: Eva DeCesaro with Portland General Electric (PGE), Oregon's largest electric utility

Chat: I have a conflicting meeting at 1:00 pm but will rejoin as soon as I am able.

Chat: What's the timeline on providing written feedback on the memo?

Chat: April 15, 2022

Chat: Additional Proposals for Consideration Memo:  
<https://www.oregon.gov/deq/rulemaking/Documents/cfp2022m3Considerations.pdf>

Chat: Are we not discussing the Opportunities for Additional Credits?

Chat: What is the cell referencing issue in the Bio/RD calculator?

Chat: @Marc - the specific cell reference is in the memo:  
<https://www.oregon.gov/deq/rulemaking/Documents/cfp2022m3Considerations.pdf>

Chat: Are hydroelectric methane emissions being calculated in CI measurements?

Chat: @Mason - our current OR-GREET model does not account for this

Chat: CTUIR believes these values need to be incorporated into any CI calculations.

Chat: Thanks for the answer

Chat: @Mason - noted.

Chat: I assume electric cargo handling equipment includes aircraft ground support equipment

Chat: Mason and Kiara, please note: <https://www.nwcouncil.org/news/columbia-and-snake-river-reservoirs-not-associated-high-greenhouse-gas-emissions/>

Chat: Why does fossil propane get credits?

Chat: For the Electricity Forklifts, why the Forklift owner and not the Charging Equipment owner? there are many instances where the Forklift is leased or rented.

Chat: regarding the eGSE EER of 3.2, is it applicable to Light-Medium and Heavy Duty equipment?

Chat: Is the issue on the Biodiesel/Renewable Diesel Simplified Calculator only on the Biodiesel tab? Not the RD tab?

Chat: That was from a prior slide

Chat: thanks

Chat: Re. EERs, see Table 7

Chat: go go go

Chat: a break

Chat: ha

Chat: fine to power through

Chat: Thanks for letting attendees ask questions and make comments for the individual items, rather than having to keep them until the end.

Chat: Thank you!

Chat: Thank you!



## **Alternative formats**

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email [deqinfo@deq.oregon.gov](mailto:deqinfo@deq.oregon.gov).