

Oregon Clean Fuels Program

2016 Initial Inventory

Background

The 2009 Oregon Legislature passed [HB 2186](#) authorizing the Oregon Environmental Quality Commission to adopt rules to reduce the average carbon intensity of Oregon’s transportation fuels by 10 percent over a 10-year period. The 2015 Oregon Legislature passed [SB 324](#) allowing DEQ to fully implement the Clean Fuels Program beginning in 2016.

In order to phase in the program’s overall requirement of lowering the carbon intensity of the fuels Oregon consumes by 10% by 2025, DEQ has set a series of compliance periods where the carbon intensity reduction target increases to reach the overall goal in 2025. Progress towards the 2025 target and compliance with the annual standards is shown through quarterly reporting of fuels at the point of production in Oregon or import into the state.



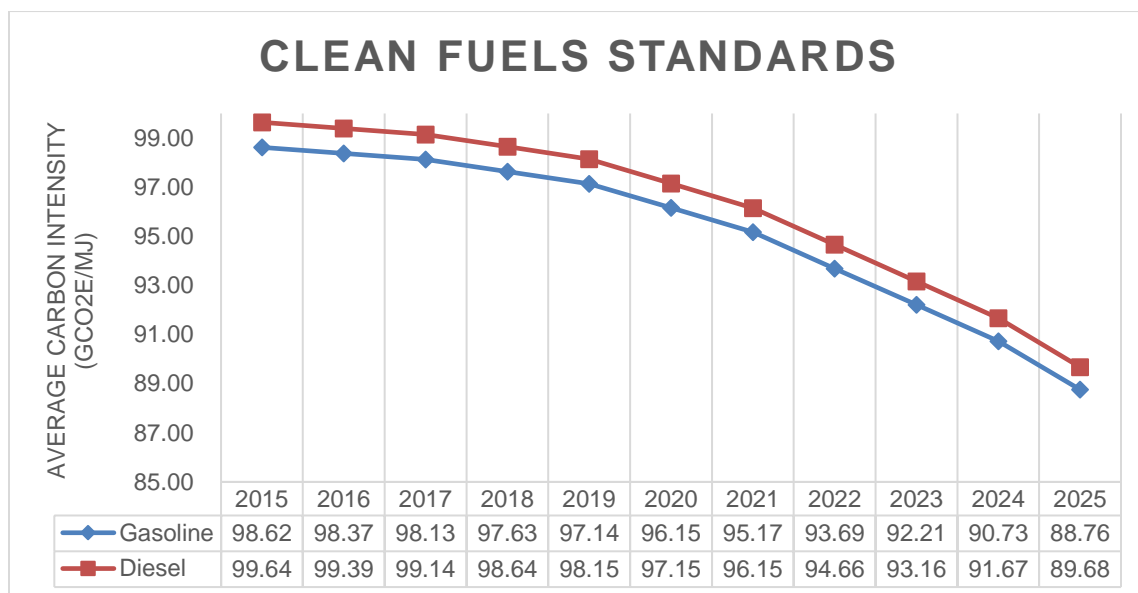
State of Oregon
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Environmental
Quality

Oregon Clean Fuels Program

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



Beginning the Initial Compliance Period

In order to ensure that the Clean Fuels Program properly accounts for all fuels used in Oregon, DEQ needs regulated parties to submit their initial inventories as of January 1, 2016. This inventory is to facilitate credits and deficits calculations, as required in OAR 340-253-1000(5)(a) and (b), for fuels that are “produced, imported, dispensed, or used in Oregon, as applicable”.

At the start of the program’s initial compliance period, there were initial inventories of fuels that were imported into the state during 2015 but used in 2016. Without the reporting of initial inventories, it would be impossible to ensure that each regulated party was in compliance for the 2016-2017 compliance period as required by OAR 340-253-0100 (6).

In addition, the lack of initial inventories makes it difficult for DEQ to ensure that transfers of fuel (both with and without obligation) between regulated parties are being correctly accounted for in the CFP Online System. There are also situations where regulated parties could be transacting more fuel in Q1 than is being produced or imported during Q1. The California Air Resources Board’s LCFS program similarly required that initial inventories be reported with Q1 2011 data when their program went into effect.

Next Steps

Oregon Clean Fuels Program

- DEQ has created a transaction type called “Initial 2016 Inventory” in the CFP Online System.
- Some regulated parties submitted initial inventories with their Q1 reports. DEQ will contact the remaining ones and request that they submit it.
- DEQ plans on recommending that the EQC further clarify this issue during its next rulemaking, which should be complete before the end of the 2016-2017 initial compliance period.

Accessibility

Documents can be provided upon request in an alternate format for individuals with disabilities or in a language other than English for people with limited English skills. To request a document in another format or language, call DEQ in Portland at 503-229-5696, or toll-free in Oregon at 1-800-452-4011, ext. 5696; or email deqinfo@deq.state.or.us



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