## **Oregon Clean Fuels Program**

# **Propane School Buses**

The purpose of this factsheet is to provide guidance to school districts that have buses which run on propane, also known as liquefied petroleum gas (LPG). LPG is a lowercarbon fuel and the use of it as a transportation fuel can generate credits in the Clean Fuels Program (CFP). For LPG, the entity that owns the dispenser that puts propane into a motor vehicle is the one who is eligible to generate the credits in the program. That might be the school district, its school bus contractor or the propane provider. In either case, this factsheet aims to explain what participating in the CFP means.

#### **Registering as a Credit Generator**

Once you figure out who the owner of the propane dispenser is, they should register in the Clean Fuels Program to generate credits for the propane dispensed into school buses. DEQ has developed a <u>registration form</u> for credit generators. Download the form and email the completed form to <u>OregonCleanFuels@deq.state.or.us</u>.

Section 1 of the form is the contact information.

For Section 2 of the form:

- Check the LPG box.
- For propane/LPG, provide the number and location of dispensers you own in Oregon and an annual estimate of propane/LPG provided for each dispenser. This information may be based on the prior year's consumption data, and is required just in order to get a general idea of your credit generation potential.

DEQ will review the registration application and may contact you for clarification or additional information. Once the application is deemed complete, DEQ must approve an application within 14 days, though on average approval times have been much shorter.

#### **Reporting Requirements**

Once the registration is approved, DEQ will send you a link to the CFP Online System, which is the reporting tool for the program. The credit generator will need to register as a user in the system in order to create an account.

The registered credit generator is required to submit quarterly reports on how much LPG has been dispensed (January through March, Aril through June, July through September, October through December). The system converts the volume of propane into the number of credits and places them into your account. Once the 4 quarterly reports are submitted, the system automatically generates an annual report that you must then verify and submit. The quarterly reports must be submitted within 90 days after the end of each quarter.

#### **Managing and Selling Credits**

You can see how many credits are in your account by clicking the "Credit Balance" tab in the CFP Online System. As you look to sell your credits, you can go to the "Buy/Sell Board" tab to find potential counterparties. In order to get an idea about the market rate for credits, DEQ publishes a monthly credit transaction report which will include the average price of credits if there are more than 3 trades in that month.



State of Oregon Department of Environmental Quality

Oregon Clean Fuels Program 700 NE Multnomah Suite #600 Portland, OR 97232

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Prices for credits in the Clean Fuels Program will likely vary over time. Credits do not expire, and the decision on when to sell the credits is left up to the credit generator. Credits trade throughout the year, but the market often picks up close to the end of the year and as the program's annual compliance deadline – when regulated parties need to retire credits against their obligations – approaches in April.

Once both parties agree on how many credits they will trade at a given price, a credit transaction form needs to be completed, approved, signed and submitted to DEQ via the CFP Online System to transfer the credits. When DEQ processes the form and posts the transfer, the credits are moved from one account to another.

The money is transferred privately between the two parties; DEQ is not involved in that aspect of the transaction. DEQ does not place any limitations on what the revenue derived from the sale of credits can be used for.

### **Credit Aggregators**

If the credit generator does not want to manage their credits themselves, they can designate a credit aggregator to act on their behalf. Examples of credit aggregators could be a trade or membership association, a non-governmental agency, a pure third party private company or consultant, or another credit generator. The credit generator will have to complete a credit aggregator designation form in order for the credit aggregator to register as a user in the CFP Online System and take over management of those credits.

#### 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 <u>deqinfo@deq.state.or.us.</u>



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