

Clean Fuels Program Electricity 2021 Rulemaking

Meeting Summary

Rulemaking Advisory Committee Meeting #2

Oct. 8, 2020

Web-based meeting

List of attendees are at the end of this document

Meeting Agenda

Time	Topic
9 a.m.	Welcome, introductions, agenda review
9:15 a.m.	Walk through discussion paper
10:45 a.m.	Opportunity for Public Comment
11 a.m.	Adjourn meeting

- Discussion paper was provided prior to the meeting for consideration of the participants.

Discussion

Where are the EER values coming from? CARB?

For the passenger vehicle energy economy ratios (EERs) being discussed first in the slides is the one to one comparison, the EER came from CARB.

For the example with the streetcars, light rails, aerial trams included in the 2017 rulemaking, those EERs were developed by DEQ using the National Transit Database from US Department of Transportation where those transit vehicles are required to report a variety of data.

Are these EER values being updated as time goes on?

DEQ CFP does not plan on updating the EER values already in rule. DEQ used several years of data to get an accurate average. In 2018, one of the vehicle types (possibly, street car) was updated by a rulemaking as more data became available but not planning on changing any of the current values in this rulemaking.

Can you explain more about why carbon intensities (CIs) don't already incorporate this EER term?

If they did, we would have to have a CI for each of the individual vehicle types and that can be very burdensome administratively. This way of incorporating the EER outside of the CI is less burdensome administratively and simpler to apply the EER separately from the CI because then the credit calculation can take that into account as an adjustment when calculating credits and deficits.

Is the electric motorcycle EER based on a comparison with a gasoline motorcycles?



State of Oregon
Department of
Environmental
Quality

Clean Fuels Program
700 NE Multnomah St.,
Suite 600
Portland, OR 97232
Phone: 503-229-5696
800-452-4011
Fax: 503-229-6124
Contact: Cory-Ann Wind

www.oregon.gov/DEQ

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Oregon's air, land and
water.*

Yes, it is an example of the 1:1 comparison discussed earlier based on energy economy testing between gasoline and the full battery electric motorcycles. Please see pages H-14 and H-15 in the linked document for data used for electric motorcycles: <https://ww3.arb.ca.gov/regact/2018/lcfs18/apph.pdf>

Do BEV ATV's have a qualifying EER? Seem they may fit under motorcycle but I am uncertain if they fit the definition.

Thad looked it up quickly and it seems that motorcycles are defined as less than 4 wheels. Based upon production of today's EV's (almost all with 4 wheels), ATV's don't broadly appear to fit any category. DEQ agrees with this interpretation.

What is the benefit to the Clean Fuels Program for adding these EERs and how much of an impact or a difference will that make to get to the carbon reduction goals? Is cost effectiveness considered?

Cost effectiveness to program is not a consideration in establishing an EER, this is a technical consideration. That discussion will be more relevant in the advancing credit generation breakout session to determine how many advance credits are needed to make adoption financially feasible.

There are several parallel processes going on in the program at this time. DEQ will be working with contractor that will help us with illustrative compliance scenarios. In that context, will definitely be reviewing what is currently available (fuel, vehicles, etc.) and how that will be impacting the availability of those technologies to adopt. Because the rulemaking is looking at reductions out until 2035, we will be looking at developing technologies within those scenarios.

Appreciates that data quality needs to be maintained and would also appreciate thinking about 3PV or independent verification to ensure that the data quality is adequate. Also, there can be differences in results in lab testing and data that comes from actual use cases. Would be optimal if DEQ could review and incorporate those cases, as well.

Thanks for the comment. DEQ wants to ensure we have enough data to be reasonably assured the EER has been established correctly and data integrity is very important.

Yard tractors and other equipment stands out as not being on list. This segment is quickly moving towards electrification. There are also a lot of harborcraft vehicles used to move between shore and the ocean going vessels which is not highlighted in the ship to shore power discussion, are those included? As far as the airport equipment discussion is concerned, the association of airports has an RFP out to work with a company to develop EERs for this type of equipment.

Regarding yard tractors, will have to go back and review to see if it is included in list or not and will also get in touch with and discuss with you offline. The OGV is specific to ocean going vessels, need to see if harbor craft would be considered and if there is a specific difference. We have the RFP David is referencing and are glad to see that is happening. The airports are diving deep into electrification, so it will be good to get a broader set of data from them. As more information comes in about specific airport applications, may think about having a separate categorical EER for aircraft service equipment.

Do you include the forecast of how many credits are anticipated with the changes in this rulemaking?

Not considered in the rulemaking but will be considered in the illustrative scenarios.

Are you already counting the utility trucks using electric buckets?

DEQ is not considering this category. The question is what is producing the electricity. If it's the truck's engine which is gasoline or diesel-powered then it's not the same as if it were grid electricity.

CFP is typically applicable to on road applications only but the example provided with the tractor is generally an off road application which are currently exempt from the program. Would those be voluntary additions to the program or would any off road application automatically be rejected?

Certain categories are exempted if the fuel supplier knows that the fuel is going to off road equipment, the statute does not exclude off road equipment. Generally, the program will most likely always looking for diesel and gasoline being displaced. The application may be put out for public comment if the equipment falls in a gray area, and one of the questions for consideration would be: Is this appropriate for our program to be including?

What if Bob applies and then Barb applies a month later with similar vehicle type and usage, would Barb be allowed to use that EER that Bob received or would Barb still need a separate EER?

A joint application from Bob and Barb would have to be provided in order for both to use the EER. Vehicle manufacturer can only participate if they are applying with an individual applicant that is using it in state.

Would categorical EER be applied retroactively to folks who have gotten specific EER?

Credit generation is correct for original application's EER, so current thinking is that the categorical EER value would only apply going forward, not retroactively. There may be some exceptions: i.e., provisional CIs use 3 months of data and keep submitting data that then can be used to adjust the CI later. DEQ would consider applying those same concepts to this process but will need to think/work through before that could happen.

Regarding thresholds, at which point a new EER could be considered – can you remind us on those what they are?

In regards to a CI, to submit new application, the change in CI would need to be considerable. Should there be a threshold set here, as well? Keep in mind, categorical EERs are set as averages so do not want to create a situation where we have very close to the current EER trying to remove themselves from that category and create their own EER.

What is a big enough difference that should be considered when based on use-case?

If we have these registered individually, registered users would have to report individually for different equipment and that can be burdensome. So, we would want to consider that when determining what the big enough difference would be.

This document from California includes the discussion on considerations to determine additions or revisions to EERs in California that can highlight what was considered there when they went through this process:

<https://ww3.arb.ca.gov/regact/2018/lcfs18/15dayattd.pdf>

If this administrative process is made as simple and flexible as possible, then DEQ will be more likely to reach goals of program. Sometimes, windows of opportunity can be fairly narrow. If it means someone has to wait for rulemaking session, it could close the door on opportunities to move to electrification. This process is critical to avoid that wait time.

Also consider, that if every vehicle type is separated with different EERs, would need to keep track of each vehicle and that could be prohibitive to the folks reporting.

Agrees that there needs to be threshold but not too restrictive of a threshold. Regarding the public comment period: what are the requirements for public comment on a tier 2 fuel pathway application and how should this EER be different?

We do not have one here in Oregon. CARB has a ten day requirement. Many times, if the FPC has already been approved in CA they have gone through public comment in CA and we take that into consideration.

I agree with not creating a litany of individual EERs and keeping general categories, however, it would be prudent to reward fuel/vehicle/body combinations which improve efficiency (and reduce emissions) with means such as electrified PTOs (ePTOs) and/or replacing hydraulics systems with electric motor-driven systems. Of course, sufficient data and a robust methodology would need to be provided in accordance with DEQ-proposed standards.

DEQ CFP would like RAC to consider: the need to make sure the data reported is robust and verifiable versus required to be third party verified. When we designed 3PV we didn't envision the EER adjusted CIs so have been trying to determine if we need to apply 3PV here. The impacts for requiring 3PV are time and money. But that could make sure we get the accurate data we need to determine the credits.

Intrigued by idea of vehicle manufacturer and individual fleets working together to create an EER. And if there is upfront data verification like an EPA MPG data equivalent established, may not need third party verification here.

We are entertaining the idea of letting an OEM apply. There would have to have 1:1 comparable data and in-use data that would get us closer to what the actual in use EER actually is.

Based on e-scooter studies, there is a certain percentage of trips that are replacing walking/biking and some of those trips replacing vehicles. Would that kind of average be put into a calculation to determine EER?

In theory yes, but there is not currently enough data to develop an average. We would have to build up a composite look at the energy input is and then compare it to the mode of transport being used to develop the EER. Survey data for City of Portland project is from PBOT and is publicly available here:

<https://www.portlandoregon.gov/transportation/article/700917>

Does a categorical EER need to be adopted through a formal rulemaking process?

This is the question we are asking stakeholders. We are trying to get to is a place where it is easier to issue an EER upfront but also retaining ability to be added categorically and would run through the rulemaking process, through the Environmental Quality Commission and we do not want to replace that here.

Similar to e-scooter example of displacing single occupancy vehicle trips (as the assumed alternative), would shuttles and buses receive the same benefit to their EER for mode shifting?

Penn State University bus data is used to determine EER. The precedent we have set is that if it is 1:1 replacement compare to existing ICE in that category we would not include any benefits from mode-shifting because it is more speculative because we would need to assume it was continuing into the future.

If mode shifting data was provided could it be included?

Theoretically, yes. Mode shifting is important but it needs to be appropriate to the fuel based program and would that add complexity or risk to credit generation? We would need to consider that to see if it is applicable to CFP.

What is being planned for the 5th meeting after going through all these topic area breakout sessions?

The fifth meeting will be a 3 hour meeting and will include discussion of where proposals are at that time based on comments and discussion received through process. We will want to go through and discuss fiscal and economic impacts of these changes to our program, both quantitatively and qualitatively. Questions will be centered on: Is there an impact? What are the costs and benefits of that impact? Is there a disproportionate impact on small businesses? Agency is not required to implement the mitigations to address those concerns but DEQ does have to consider those mitigations. Will have another formal period afterward to have comments in the formal notice of proposal making for comment by public and stakeholders.

These are complex issues, thanks for walking us through the complex details in an understandable way.

Public Comments

None

Roster of all Zoom participants

First Name	Last Name	Affiliation
Amina	Foster	Oregon DEQ
Annabel	Drayton	Policy Associate, NW Energy Coalition
Ashley	Beaty	BTR Energy
Ben	Conte	Exergy Energy
Bill	Peters	Oregon DEQ
Blake	Wojcik	RPMG
Bob	Jenks	Oregon Citizens' Utility Board
Brian	Worley	Association of Counties
Cory-Ann	Wind	Oregon DEQ
Dan	Smading	Flint Hills Resources
Danelle	Romain	Partner, Oregon PUD Association & Oregon Fuels Association
David	Breen	Port of Portland
Eric	Shierman	Public Utilities Commission
Eva	DeCesaro	Senior Product Manager, PacifiCorp
Evan	Neyland	ChargePoint
Evan	Rosenberg	SRECTrade
Greg	Martin	League of Women Voters, OR
Ira	Dassa	Airlines for America
Jana	Gastellum	Deputy Director, Oregon Environmental Council
Jane	Stackhouse	OLCV, MCAT
Jason	Heuser	Eugene Water & Electric Board
Jeff	Kessler	
Jennifer	Joly	OMEU Director
Jessica	Hoffman	RPMG

Jessica	Spiegel	Western States Petroleum Association
Jim	Lemon	BTR Energy
John	Perona	OLCV, MCAT
John	Thornton	CleanFuture
Jon	Costantino	Tradesman Advisors
Jordan	Bice	Oxley & Associates
Joshua	Proudfoot	Principal, Good Company
Julie	Chapman	
Justin	Michael	Port of Portland
Karl	Pepple	US EPA
Kathy	Moyd	League of Women Voters, OR
Kelsey	Wilson	Legislative Advocates
Kiara	Winans	Oregon DEQ
Kylie	Grunow	
Lisa	Strain	
Marc	Ventura	Phillips 66
Marianne	Csaky	Alaska Airlines
Marissa	Bach	Shell
Maya	Kelty	3 Degrees
Michael	Graham	Director of Policy & Communications, Columbia Willamette Clean Cities Coalition
Miles	Pengilly	Forth lobbyist
Montana	Lewellen	Legislative Advocates
Nora	Apter	Oregon Environmental Council
Rhett	Lawrence	Forth
Rob	Currier	Emerald PUD
Stu	Green	City of Ashland Electric Utility
Thad	Kurowski	National Credit Trading & Intermountain, West State Policy Lead Tesla
Tyler	Ernst	Oregon Forest and Industries Council
Vee	Paykar	Climate Solutions

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