

Summary

Rulemaking Advisory Committee Meeting #3

March 18, 2021, 9 a.m. to 3:45 p.m.

Zoom Meeting

List of attendees

Committee Members in Attendance (for all or part of meeting):

- Zach Baker, Climate Solutions
- Pam Barrow, Food Northwest
- Peter Brandom, League of Oregon Cities
- Haley Case-Scott, Beyond Toxics & NAACP Eugene/Springfield
- Rebecca Descombes, Native American Youth & Family Center
- Matt Solak (alternate), Blue Star Gas
- Taren Evans, Coalition of Communities of Color
- Mike Freese, Oregon Fuels Association
- Brendon Haggerty, Multnomah County Health Department
- Erin Hansell-Heideman, Blown Away Ranch
- John Hillock, Wallowa County
- Jana Jarvis, Oregon Trucking Association
- Bob Jenks, Citizen's Utility Board
- Mike Goetz (alternate), Citizen's Utility Board
- Nels Johnson, Northwest Natural
- Kevin Booth (alternate), Northwest Gas Association
- Dylan Kruse, Sustainable Northwest
- Casey Kulla, Yamhill County
- Jan Lee, Oregon Association of Conservation Districts
- Tim Miller, Oregon Business for Climate
- Sharla Moffett, Oregon Business & Industry
- Martha Moore, EVRAZ
- Mark Petrie, Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians
- Ellen Porter, Roseburg Forest Products
- Allie Rosenbluth, Rogue Climate
- Amy Schlusser, Green Energy Institute
- Steve Smith, Phillips 66
- Paul Snyder, Tillamook Creamery Association
- Alyn Spector, Cascade Natural Gas
- Jeff Stone, Association of Nurseries
- Kathryn VanNatta, NW Pulp & Paper Association
- Ranfis Villatoro, BlueGreen Alliance
- Keith Wilson, Titan Freight



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Quality

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restoring, maintaining and
enhancing the quality of
Oregon's air, land and
water.*

Staff in Attendance (for all or part of meeting):

DEQ

- Chloe Brown, GHG Programs Analyst
- Matt Davis, Senior Policy Analyst
- Matthew Espie, Climate Policy Analyst
- Colin McConnaha, Manager, Office of GHG Programs
- Nicole Singh, Senior Climate Policy Advisor
- Lauren Slawsky, Climate Policy Analyst
- Richard Whitman, Director

ICF

- Deb Harris

Kearns & West

- Sylvia Ciborowski, Facilitator
- Kirsten Hauge, Facilitation Team
- Bianca Valdez, Facilitation Team

Summary of Advisory Committee input

The Oregon Department of Environmental Quality (DEQ) thanks the participants in the meeting for their attention throughout the day. The dialogue continues to be constructive and will help DEQ plan for future meetings and develop program recommendations. Overall, members expressed:

- General support around the concept of Community Climate Investments (CCIs), with interest expressed for more detail in order to evaluate the proposal thoroughly and understand how it would work in practice.
- Interest in how CCIs are comparable to other possible alternative compliance options.
- Comments expressed about the importance of entities reducing emissions directly before allowing participation in CCI program.
- A range of suggestions around types of CCIs projects and interest in including sequestration.
- Suggestions for engaging impacted communities in a meaningful way to develop a CCI program.
- Many questions about the emissions modeling results and the need for more information and context prior to the next RAC meeting.
- Significant interest in future modeling results showing equity and cost considerations.

Agenda Item: Welcome, meeting ground rules and public comment opportunities

Sylvia Ciborowski, facilitator, opened the meeting and thanked the participants for the RAC’s ongoing participation and then reviewed the agenda, participation tips, and public participation protocols. Additionally, she offered committee discussion guidelines to ensure the RAC operates in a collaborative fashion. Colin McConnaha welcomed and thanked advisory committee members for their continued participation, engagement and commitment to working towards a new rulemaking to establish Oregon’s Climate Protection Program (CPP). He provided brief introductions for the DEQ Office of Greenhouse Gas programs staff.

Agenda Item: Remarks by Director Richard Whitman

DEQ Director Richard Whitman shared his appreciation for the high level of dedication from the participants in providing important input to craft the development of the CPP. He shared that the third RAC meeting would focus on Community Climate Investments (CCIs). He noted that he had just participated in the Environmental Council of States meeting. During this forum, he heard how states are experimenting with different programs to reduce greenhouse gas emissions and are actively learning from each other.

He added that CCIs are important because in order to get to significant reductions in greenhouse gas emissions, everyone will need to make changes in how they work, live, and play by reducing and moving away from fossil fuels to renewable or other clean sources of energy. He emphasized that it is important to help accelerate these changes in impacted communities by making investments in projects that will help improve resiliency, decrease dependency on fossil fuels, and realize community benefits. Director Whitman also noted it was important to do it in a cost-effective way, avoid placing any additional burden on vulnerable communities, as well as providing resources to vulnerable communities to help them adjust to changes. He concluded that he was excited by the work and looked forward to hearing the RAC's input on the concepts developed by DEQ staff.

Agenda Item: Review committee work plan and updates

Nicole Singh said she appreciated the feedback and comments DEQ received to date from both the RAC and the public and reviewed how staff had considered them in the work to date. She added that DEQ recognized the challenge of submitting comments by the requested deadlines. Nicole provided a brief overview summary of the content of the 34 written comments received following the second RAC meeting. She then reviewed the work plan and topics for the next few meetings and noted a change in the approach for the May and June meetings in order to allow time to incorporate changes to the modeling and a new proposed meeting on July 8 to share the fiscal impact analysis. She asked RAC members to contact her if they had any concerns with the proposed July meeting date. Sylvia Ciborowski opened the discussion for clarifying questions and comments.

Questions/Comments

- One member asked for clarity on non-natural gas fuels and if DEQ was focusing predominantly on transportation fuels.

Response: DEQ explained that while non-natural gas fuels are often used for transportation, other fuels included in this category, such as propane and diesel, may also be used for other purposes.

- Another member asked if DEQ anticipated that the rulemaking would be completed by the end of the year or if the new July meeting date changed the timeline for adoption.

Response: DEQ replied that they had anticipated a possible seventh meeting during the initial scheduling of the rulemaking process. The agency does not anticipate that the additional meeting in will impact the overall timeline.

- Other members expressed concern around scheduling the meeting the week of Independence Day, while others shared that the proposed date would work for them.
- One member asked if the purpose of CCIs would be to support low-income customers as they phase out natural gas furnaces. They asked whether the scope of the program was changing to encourage electrification, rather than greenhouse gas reductions as a whole.

Response: DEQ clarified that all the tools were on the table, including electrification, as well as increased use of renewable natural gas and hydrogen.

- Another member asked if DEQ planned to present revisions to rules and leanings at the proposed July meeting, based on the feedback provided by the RAC and public prior after the June meeting.

Response: DEQ explained that the agency anticipated that the June meeting would primarily focus on the final round of modeling results. However, if major changes needed to be incorporated into rule language, the planned changes would be discussed and new drafts may be provided at the July meeting with the fiscal impacts analysis.

Agenda Item: Discussion of Community Climate Investments (breakout sessions)

Nicole Singh introduced the topic of CCIs. First, she covered how the CPP would work in practice and provided various examples. Nicole then described CCIs and shared that pursuing equitable outcomes is a critical goal of the CPP. She noted that DEQ recognized that environmental justice populations and vulnerable communities have been negatively impacted by climate change and disproportionately bear those costs. Since these communities also have less representation in public processes and decision making, DEQ was considering the best ways to reduce emissions while also reducing harms and increasing benefits for the impacted communities. Nicole noted that DEQ was learning from the experiences of other states in implementing emissions reduction programs. She shared concerns that have been raised in relation to offsets and impacts on environmental justice communities. Nicole then detailed how these investments could work, the potential projects that could be considered, and the role that environmental justice and impacted communities could play. Nicole also presented possible ways to ensure that a significant proportion projects are located in impacted and environmental communities. Details may be found on slides 12-19. Sylvia Ciborowski asked the RAC if they had any clarifying questions and invited members representing environmental justice organizations to share their initial thoughts.

Questions/Comments

- A RAC member clarified for the group that in the examples provided, heat pumps and electric water heaters were mentioned. However, DEQ may have meant to say “heat pump water heaters,” since these offer huge energy savings.
- A couple of members expressed concern and asked why sequestration projects were not mentioned, since they would benefit rural communities.

Response: DEQ shared that CCIs may also include projects that sequester emissions. However, DEQ is interested in focusing on projects based on demand from environmental justice and impacted communities and has so far heard more interest in projects that lead to emissions reductions.

- Another member asked how DEQ has the statutory authority to set up the program like this as it seems it is outside of what is stated in the Executive Order (EO).

Response: DEQ explained they are not relying on the EO for authority to develop the program. They shared a link to a [report](#) from June 2020 that analyzed the Environmental Quality Commission’s (EQC) existing legal authorities.

- Another RAC member asked for further details on the CCI concept and shared concern about the required percentage that would be associated with this type of program, given the need for companies to have flexibility.

- One RAC member appreciated the opportunity to center the conversation back to environmental justice groups and shared concern about space meant for an environmental justice discussion taken up by industry-focused questions. The member further stated that offsets are concerning and shared their appreciation for DEQ's critical eye on offsets and realizing that they have caused harm to communities in other programs. They stated that members shouldn't have to choose between a program that reduces pollution and increases investments – the solution should find a way to do both.

Sylvia Ciborowski shared that the group would be breaking out in groups to discuss the topic in further detail. She reviewed the following key questions for RAC members to discuss in the breakout rooms:

1. What are your thoughts about integrating potential community climate investments in the CPP? Should there be a limit on how much regulated entities are allowed to use community climate investments?
2. What types of projects should be funded by community climate investments? How could DEQ ensure and prioritize investments in environmental justice and other impacted communities?
3. How could DEQ incorporate community input throughout this process?

The RAC members were given a short break to reflect and organize their comments and then were divided into three breakout groups. Following the breakout session, DEQ staff and a few RAC volunteers reported out what was discussed in the breakout rooms to all attendees.

Room 1 report out:

- Expressed support and interest in this mechanism as a way to fund projects in Oregon, reduce emissions, and benefit local communities.
- Some members shared interest in projects that would transition communities away from fossil fuels towards emissions-free energy.
- Support for investing in new technologies and infrastructure to transition to lower emissions. This could mean electric vehicles, but also more walking and bike paths based on a given community's needs.
- Comments on the importance of including community input and raising the voices of environmental justice communities and leaders in this process to ensure needs are met.
- A few members agreed that this mechanism is a potential opportunity to meet the needs of disadvantaged, rural, and Tribal communities.
- Representatives of potentially regulated industries expressed interest in the mechanism, as it provides another pathway towards compliance and has the opportunity to benefit communities.
- Others expressed concern that offsets allow pollution to continue, so this mechanism would need strong limits.
- Comments on the need to provide oversight of the program in regard to where dollars are spent, the importance of investing in a rigorous process and in real outcomes.
- Suggestions of projects to be funded included those that could maximize co-benefits, weatherization projects, electrification and support for transition of older energy systems to more efficient ones, and offsets in natural and working lands.
- Interest in developing general criteria and guidelines rather than a prescriptive list of projects.

Room 2 report out:

- Comments on the need to build resilient communities with a focus on long-term objectives, which could include investing in infrastructure for longer-term energy transitions and supporting emissions reductions for small businesses or other small emitters.
- Concern about overall costs.
- Interest in not characterizing investments as pitting equity and costs against each other, but rather looking for shared wins.
- On the potential limits on use of CCIs, there was a general interest in higher limits if it would benefit local communities. However, members wanted to understand how limits would affect overall program goals.
- There were questions and suggestions around how to identify projects that meet the diverse needs of different communities, to find ways to involve communities in project selection and to identify projects that matter to those communities.
- Concern if there would be enough projects within Oregon, and if sequestration would be included.
- Questions on how the CCIs could work and how the investments relate to other possible approaches for alternative compliance.
- Comments expressed about the barriers to engagement and the need to engage with all communities, including Tribes early and often.

Room 3 report out:

- Broad interest and support for projects that would benefit communities in Oregon, especially impacted and environmental justice communities.
- Interest in using a regional approach to make sure those projects were responsive to the needs of specific communities who would be targeted by these programs.
- Some members expressed concern on whether environmental justice communities would have access to this process to inform the projects, since they sometimes do not have the staff capacity to proactively advocate for their participation.
- Discussion around environmental integrity around how the CCIs will be quantified. Additional questions about how to ensure the money would not crowd out projects that would already be implemented.
- Interest in acknowledging the large implementation burden of a potential structure of this program. How can DEQ build off projects that are already happening and expand on them to make the resources and benefits available?
- There were questions about the administration of the program's structure, such as identifying third party entities.
- Concern was shared about timelines for availability of CCIs, as well as ensuring there is enough time to build community capacity to implement them.
- Others were interested in including sequestration projects in the scope of potential CCI projects.
- Expressed concern around pricing and how it would impact decision making for regulated entities.
- A member noted that innovation and technology development in projects could happen in conjunction with bringing benefits to impacted communities.

Sylvia Ciborowski and Nicole Singh offered highlights and themes of what they heard from the report out and then opened the discussion for further additional thoughts or reflections.

- One member expressed interest in hearing more feedback from rural areas and asked how DEQ could encourage and expand use of CCIs for natural and working lands.

- Another member representing rural areas responded that there is interest for collaboration with the soil and water conservation districts and ODFW. In the agricultural sector, the better the land can be left for future generations, the more valuable it is for the sector to be involved.
- Concern was expressed about the program becoming too prescriptive about project type. There was a suggestion to develop criteria informed by community input and to consider geographical equity within the program.
- Another member shared that bringing funding to impacted areas and to organizations that have less restrictive employment opportunities would provide accessible clean energy job opportunities for low-income families and impacted communities.

Agenda Item: Discussion of key elements for regulation of non-natural gas fuel suppliers

Lauren Slawsky presented key elements for regulation of non-natural gas fuel suppliers. Lauren reviewed considerations for fuel suppliers, variability and thresholds, leakage risk, and how this is connected to the program goals. Details may be found on slides 23-26. Sylvia Ciborowski reviewed the key discussion questions and opened the meeting for questions and comments.

Questions/Comments:

- Concern was expressed that the Clean Fuels Program and Greenhouse Gas Emissions Reporting Program are significant burdens to small, family, and locally-owned businesses. A member expressed support for DEQ's efforts in helping small businesses understand compliance obligations, but noted that it is a significant undertaking by the agency and individual companies. They shared support for a 300,000 metric ton threshold for several reasons, including that potential compliance costs could have disproportionate impacts on small businesses.
- Support was expressed by other members for a zero to near-zero threshold rather than a 300,000 threshold. Some members noted that program has the opportunity to provide an emissions backstop and hold entities accountable. Another member shared that to reach Oregon's climate goals, they will need to transition transportation sectors to zero emissions vehicles and that by regulating all fuel suppliers, the program can send clear signals to support that transition.
- One member asked for clarity on how point of regulation for non-natural gas fuel suppliers is addressed by other states, such as California.

Response: DEQ shared that the majority of Oregon emissions would be associated with fuel suppliers since there are no refineries in the state, unlike Washington and California.

- A member suggested that if the threshold is not at 300,000 metric ton, there is no comparable dividing line. The member suggesting considering a 0 metric ton threshold.
- Another member shared that under the Clean Fuels Program regulated entities have significant obligations and have already taken steps such as adding more biofuels. Currently, the burdens lie on both large and small fuel suppliers. The member asked DEQ to consider how to best to integrate the Clean Fuels Program with the CPP and recognize efforts already taken to reduce emissions. Additionally, the member suggested a simple method to address small suppliers.
- A member asked DEQ for a summary of the last Clean Fuels Program report so that the RAC could compare that program to how it would fit into the CPP.
- One member asked for more explanation of the fuel distribution and how the fuel arrives at smaller distributors if it comes in through pipelines or large terminals.

Response: DEQ explained that much of the fuel imported into Oregon comes through pipelines and large terminals. Particularly on the Northern and Eastern borders, the fuel is transported via trucks, barges, or rails and that is how many smaller companies receive supplies. However, it is a diverse landscape, and there are also some small companies receiving fuel directly from the terminal.

- One member sought clarification on the overall variability over time amongst the large companies.

Response: DEQ explained that the majority of top suppliers are the same from year to year, but the amount of fuel they supply or their share of the market may change.

- Another member asked how DEQ would handle the variability or provide a simple process in a market where companies are changing their emissions significantly. One possible way to address it is by issuing permits based on present emissions.

Response: DEQ replied that the distributional issues presents a challenge and something the program would need to address.

- A member expressed concerns about the regulatory structure of the program for propane fuel suppliers, who do not participate in the Clean Fuels Program and may not be familiar with demonstrating compliance with regulatory programs.
- Another member shared concerns with potential direct distribution of compliance instruments to oil companies and the potential lack of oversight on how compliance instruments would be spent. They encouraged DEQ to think about the best way to provide safeguards, such as distributing fewer compliance instruments initially or requiring that entities develop an emissions reduction plan before receiving them.

Lauren thanked participants for their input and shared that DEQ will present leanings at future meetings and noted that addressing this sector is essential to the success of the program.

Agenda Item: Public Comment Period

There was a total of 11 comments in the public comment period. Public comments included the following:

- Support for CCIs as a way to support climate change advancements to environmental justice and impacted communities. However, this support is predicated on the agency using this as an opportunity to incentivize a healthy soils program, as used in Australia, California, Washington, and other states.
- Support for the idea that investments facilitated by CCIs are very important to help impacted communities realize benefits and be supported in transitioning to a clean energy economy. However, there should not a trade-off with on-site reductions. There has not been a lot of discussion around how use of CCIs would interact with the level of the cap and if it would increase the level of pollution allowed; it is important DEQ maintains environmental integrity of the program. Additionally, there is support for a lower threshold for the program.
- Concern that the program would create an incentive for suppliers to distribute fuel just up to threshold level so they could avoid regulation. This would create structural problems and negative impacts on the market. From an environmental perspective, the bulk of supply comes via pipeline, so changing the distribution could mean more truck trips in how fuel gets to market, which would increase emissions.
- DEQ needs to set the emissions reduction targets for this program. Whether industry uses CCIs as an alternative is directly related to their emissions reduction obligation. If the obligation is minimal, industry would not have an incentive to invest in community projects.

- DEQ must address the topic of aviation fuels, given the number of general aviation airports in the state and the number of test flights out of Hillsboro alone. Airports are the largest source of lead emissions in the state and disproportionately impact BIPOC communities.
- Support for the use of CCIs, but that they should be limited to only anthropogenic sources and not biogenic sources. It should be open to both rural and urban communities and focus on things like electric vehicle charging infrastructure, fleet conversions, and building efficiency upgrades. Community-based organizations should lead proposals for projects that would get funded and covered entities could buy into that fund to get credits. Additionally, there should be a basic qualification for projects that benefit minority and low-income communities. Suggested a zero threshold for non-natural gas fuel suppliers.
- Suggestion to provide public comment opportunity ahead of RAC discussion in future meetings and support for incorporating equity into the program. One key question is around establishing the cost of a credit for one ton of community climate emissions and whether to set the price low to encourage entities to buy them or higher to incentivize reductions by regulated entities.
- Concern around an analysis by another stakeholder organization submitted to DEQ in the written comments, which evaluated how ACIs would impact the integrity of the program cap. The commenter did not agree with this analysis.
- Suggestion that potentially regulated entities located in environmental justice communities should be required first to deal with the most serious co-pollutants. Support for siting CCI projects within impacted communities. Support for a zero threshold limit for non-natural gas fuel suppliers and covering all entities.
- Support for a zero threshold for non-natural gas fuel suppliers. Support idea of CCIs with the caveat that any project must be verifiable, measurable, and permanent. Environmental justice and emissions reduction goals must both be served and met.
- Support for previous comments about emissions targets for the CPP and the need to recognize the severity of the current climate emergency. Additionally, there is a need for clarity on whether the CCI projects would be restricted to projects that reduced emissions or sequestered carbon.

Agenda Item: Modeling: Initial policy scenarios emissions results, next steps, and discussion

Lauren Slawsky provided an overview of the initial policy scenarios emissions results and modeling program options and walked through the policy scenario assumptions. Deb Harris, ICF, reviewed the changes made to the reference cases and additional policy scenario assumptions. She noted that it was important to review the results in context and presented emissions results and a summary of key takeaways of each initial policy scenario. Modeling presentation slides were posted after the meeting on the [rulemaking page](#). Details are on slides 32-46.

Lauren Slawsky then shared the proposed next steps for the modeling study and noted they would have the rest of the policy results on economic, health, co-benefits, and equity at the next RAC meeting on April 22. The meeting would also include a discussion about the development of a fourth policy scenario. DEQ plans to continue to discuss the modeling results and applications to the program design at future meetings. Sylvia Ciborowski opened the meeting for clarifying questions.

Questions/Comments:

- One RAC member asked for clarification on the policy scenario bar charts, the price or penalty assumed when overall emissions exceed the cap, and the percentage of renewable natural gas (RNG) assumed in the years beyond 2030. They noted that the chart did not show transportation emissions and the results illustrate the problem with unlimited banking.

Response: ICF replied that in terms of the bar charts, in the earlier part of the time series there are reductions plus CCIs that are being used, thereby allowing for banking of actual reductions for later use. Regarding percent of RNG, while an increased percent of RNG was assumed, beyond a certain year there is a reduced demand for natural gas overall, which is driven by technical and energy efficiency achievements within the modeling. In terms of quantity of RNG, it is not a more significant amount than what is being seen in the reference case. DEQ shared that a price or penalty being assumed when overall emissions exceed the cap was not included in the modeling and is an example of something outside the scope of the modeling but would be addressed in the rulemaking.

- A RAC member commented that the model shows the problem with unlimited banking. It seems that banking should go away in the last ten years of the program to avoid emitters using unlimited banking to the very end of the program.
- Another member sought clarification on whether the model assumed a market price of \$200 per metric ton across the board and how the price was identified.

Response: ICF confirmed that the \$200 price was used across all scenarios. The CCI prices are based on a range of literature review and research. ICF looked at existing carbon markets and other projects attempting to achieve reductions in emissions.

- One member sought overall clarification on the modeling scenarios and assumptions in terms of building electrification, if there were other costs accounted for in the modeling, and how the variables were treated.

Response: DEQ clarified that the presentation was not intended to reflect proposed program designs and that they were limited by the amount of variation that could be put into the design choices for modeling. ICF shared that from an analytical perspective, the modeled policy scenarios served to show what was learned from different potential program design elements. In terms of building electrification, ICF referred to the NREL Electrification Futures Study.

- A member asked why the end goal in policy scenario three is different and where DEQ's authority lies to increase the Clean Fuels Program goal from 10% to 25%.

Response: DEQ shared that the goal for the third policy scenario was based on feedback received from RAC members and other stakeholders to look at the 90% by 2050 cap reduction target. Additionally, DEQ shared they believe it is within the EQC's authority to expand the Clean Fuels Program beyond the 10% by 2025 target.

- Several members raised questions about the \$200 per metric ton figure and a few members expressed concern about this assumption. One member raised that it could potentially result in plant closures and lead to dependency on imported fuels.

Response: DEQ reminded the RAC that they are not proposing \$200 per metric ton but rather it was used for illustrative purposes only.

- Another member clarified that the \$200 price was intended to show the cost of buying CCIs and was not equivalent to a \$200 price on carbon in the way previously discussed in legislative sessions.
- A member shared that when the cap-and-trade bill was up in the legislature, they brought in an expert who stated that the cost of ACIs would not exceed \$100, so they wondered how the program could differ from the legislative position.

Response: DEQ shared that this program is taking a different approach with the existing authority of the EQC. They also noted the significant difference of the CCI concept from the offset market that exists within cap-and-trade.

- A member asked to confirm the modeling looked at the technical potential in each sector, without taking into account resource or market conditions.

Response: ICF confirmed that their modeling looked at technical potential in each sector and the associated costs associated.

- Several RAC members recognized the presentation reflected a high-level overview of emissions. One stated that it was difficult to look at modeling results without the equity and cost considerations. Members suggested DEQ to share more detailed information so they could provide informed feedback, such as a sectoral analysis.

Response: DEQ said they were working to develop additional resources around assumptions before the next meeting where additional results including health, economics, equity, and co-benefits would be presented. DEQ also said they would come to the RAC with some suggestions of what may be helpful to include in a fourth policy case based on all initial results.

- A member requested to see scenarios with different set prices and to see a curve of trading volume to understand the dynamics better.

Response: ICF noted the price played a less significant role on trading. Because the model assumes foresight, the natural gas sectors bank their extra compliance instruments instead of trading them in the modeling results.

Agenda Item: Next Steps

Sylvia provided closing comments, reminding attendees to submit written comments and feedback to DEQ by Mar. 26 and the fourth RAC meeting scheduled for Apr. 22. Colin McConnaha offered his final thoughts on the second RAC meeting and appreciated the comments from the RAC.

Agenda Item: Public Comment Period

There were seven additional comments during this time. Public comments included the following:

- Interest in the CCI concept and the discussion about the difference between CCI and actual carbon cost. The commenter shared they do not see how the cost of CCI could be less than \$1,000-\$2,000.
- One commenter clarified that their organization's analysis of ACIs looked at a 2030 timeframe based on available data and was focused on identifying a risk about additional instruments that would allow emissions above business as usual. It was not intended to predict what would happen.

- Concern was shared about the figures presented in the modeling section. There is presently no information on accounting for the transfer in emissions that will occur when various sectors are electrified and this needs some explanation and analysis.
- Support for the CCI program as it is the only way to get investments in social justice. Additionally, while there may have been problems in the past with other cap and trade programs, DEQ should write rules that prevent those problems from happening again.
- A commenter said that it seemed like based on the concerns around the CCI price, it was not explained clearly enough that every covered entity would get an amount of free allowances that should cover its share of emissions under the cap. If they keep under the cap through their own activities, they would not need to buy CCI credits.
- Suggestion that DEQ should share information with the members of the RAC as early as possible. Additionally, they expressed interest in how would achieve one ton of emissions reductions with a CCI price of \$200 per metric ton.
- Support for comments expressed by first commenter and the need to include the social cost of carbon in decisions regarding environmental justice communities. The Oregon Health Authority has established tremendous benefits that accrue by reducing transportation emissions.

Meeting adjourned at approximately 3:45 p.m.

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.state.or.us.