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# Oregon Clean Fuels Program

## **Cost Containment in the Clean Fuels Program**

Cost Containment 101 Workshop

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Cory-Ann Wind

Clean Fuels Program Manager



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## Implement SB 324 (2015)

- Remove sunset
- More small businesses are exempt from complying with the standards – 500,000 gallons per year
- Additional exemptions – fuel used in construction equipment, locomotives & watercraft
- Additional cost containment mechanisms



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## Basic Program Design

- Credits generated for any fuels can be used for compliance with either the gasoline or the diesel standard
- Credits don't have expiration dates and can be banked for future use
- Credits can be transacted through the credit market



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## Extended Compliance Periods

- Extended initial compliance period for all regulated parties (2016 – 2017)
- Extended initial compliance period for importers of finished fuels (2016 – 2018)



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## Shortage of Deficits

- A small deficit (less than 10%) can be carried over to the next compliance period
- Additional credits can be generated in Q1 of the next year for compliance with a standard in the previous year

## Fuel Supply Deferrals

- Emergency fuel supply deferral
- Forecasted fuel supply deferral



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## Monthly Fuel Price Deferral

- 12-month rolling weighted average price
- Oregon vs. PADD 5
- Price evaluation threshold
- Cost mitigation strategy



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## Next Steps

- Rulemaking Advisory Committee
- RFP
  - Updated scenarios
  - Forecast fuel supply deferral
  - Expanded credit generation for electricity
- Implementation
  - Quarterly reports
  - Credit transactions
  - Producers