

Rulemaking Advisory Committee #2

GHG2019 Rulemaking

Nov. 1, 2019

RAC #2 Agenda

Nov. 1, 2019

TIME	TOPIC
10 a.m.	Welcome & Introductions
10:10 a.m.	Proposed Rule Changes – CFP and streamlining reporting
10:20 a.m.	Proposed Rule Changes – GHG reporting requirements
11 a.m.	Proposed Rule Changes – third-party verification requirements
Noon	Lunch
1 p.m.	Fiscal and Economic Impacts Analysis
2:35 p.m.	Public Comment
2:50 p.m.	Next Steps
3 p.m.	Adjourn

Rulemaking Resources

Rulemaking Webpage:

<https://www.oregon.gov/deq/Regulations/rulemaking/Pages/rGHG2019.aspx>

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GHG Reporting Program

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Third-Party Verification

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Clean Fuels Program

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Updated Rulemaking Timeline



RAC #2 Agenda

CFP Changes & Streamline Reporting: Greenhouse Gas Reporting Program (Division 215) and the Clean Fuels Program (Division 253)

Modify the Greenhouse Gas Reporting Program (Division 215)

Propose requirements for third-party verification (Division 272)

Fiscal and Economic Impacts Analysis

General Updates to Division 253

- Voluntary opt-in for out-of-state producers (OAR 340-253-0100(1)(c))
- Regulated parties shall also comply with Division 215 (OAR 340-253-0100(1)(e))
- Third-party verification effective in 2022
- Streamlining fuels reporting

Streamlining Fuels Reporting

- For the regulated fuels subject to quarterly CFP reporting, new transaction types will be added to identify bulk sales below the rack by position holders. This will allow GHG annual reports for these fuels to be generated without additional work.
- For all other fuels not subject to CFP, a supplemental annual report will be created in the CFP Online System. This will allow for a single system-single password reporting tool.

Streamlining Fuels Reporting CFP Quarterly Reports

- For liquid fuels, the import transaction will be broken into:
 - Import to retail
 - Import into the bulk system
- Two new sale without obligation transaction will be added
 - Sale without obligation to below the rack
 - Sale without obligation to below the rack for export

Streamlining Fuels Reporting CFP Quarterly Reports

- For sales below the rack, position holders would tag business partners if they are registered parties in the CFP, and otherwise would report those volumes in aggregate to the 'Undefined' business partner
- Sales below the rack can be broken out into the specific fuel pathway codes, but the E10/B5/B20 substitute fuel pathway codes can be used and DEQ will consider adding additional substitute fuel pathway codes for additional blends as warranted

Streamlining Fuels Reporting GHG RP Annual Supplemental Report

- Report fuels that are not regulated fuels under the CFP
 - Propane
 - Heavier fuel oils
 - Kerosene
 - Jet
 - Etc.
- The supplemental report will sum up quarterly report data for the regulated fuels, and parties can modify that data to make it more detailed
 - For example, E10 gasoline volumes can be broken out into regular, midgrade, and premium

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CFP Changes & Streamline Reporting: Greenhouse Gas Reporting Program (Division 215) and the Clean Fuels Program (Division 253)

Modify the Greenhouse Gas Reporting Program (Division 215)

Propose requirements for third-party verification (Division 272)

Fiscal and Economic Impacts Analysis

General Updates to Division 215

- Structure and minor language updates throughout to clarify or streamline requirements, definitions
- Effective dates
- Recordkeeping requirements
- Electricity suppliers: point of responsibility clarification throughout
- Petroleum and natural gas systems: reporting threshold

Division 215: General Structure

Rule	Contents
340-215-0010	Purpose and Scope (no rule # change)
340-215-0020	Definitions (no rule # change)
340-215-0030	Applicability (no rule # change, sections are still sectoral break-outs)
340-215-0030s	Additional/restructured general rules relating to Applicability
340-215-0040	GHG Registration and Reporting Requirements (no rule # change but now general overall reporting requirements only)
340-215-0040s	Additional/restructured general rules relating to GHG Reporting Program requirements
340-215-0060	GHG Reporting Fees (no rule # or proposed rule changes)
340-215-0100s	GHG registration and reporting requirements by sector (used to be sections under -0040)

Effective Dates

Reporting Deadlines

- **March 31**
 - Permitted air contamination sources
 - Natural gas suppliers
 - Petroleum and NG systems
- **April 30**
 - Fuel suppliers and in-state producers (aligns with CFP)
- **June 1**
 - Electricity suppliers

Reports submitted in 2020 and 2021

- Submit reports by **March 31**, 2020 (2019 data), then by **April 30** in any year thereafter
 - Fuel suppliers and in-state producers
- Documentation for specified sources beginning in 2021 (2020 data)
 - Electricity suppliers
- Comply beginning in 2021 (2020 data)
 - Petroleum and NG systems

Air Contamination Sources Proposed Requirements

Applicability: OAR 340-215-0030(2)

- No proposed changes to applicability
- Any source required to obtain certain permits must report
- Moved the requirement for reporting of Subpart DD (SF6 from electricity transmission and distribution equipment) from the electricity sector to the air contamination sources section

Reporting Requirements: OAR 340-215-0105

- Use EPA emissions quantification methodologies (Subparts C-UU)
- Additional information about electricity generating and cogeneration units
 - Net and gross MWh
 - Thermal energy (MMBtu) used on-site and delivered to end users outside the facility
- Procedures for calculating and reporting emissions from biomass-derived fuels
- Natural gas received along with identifying info about supplier
- Requiring subpart DD (SF6) emissions from electricity transmission and distribution equipment located in Oregon.

Fuel Suppliers and In-State Producers

Proposed Requirements

Applicability: OAR 340-215-0030(3)

- Import, sell, distribute fuel for use in Oregon
- Propane imports <10,500 gallons

Change in Ownership: OAR 340-215-0034

- Change in ownership updated to align with CFP: report for transactions that occurred prior to the change

Reporting Requirements: OAR 340-215-0110

- Align reporting with CFP where possible; allow for additional detail to be submitted to GHG RP
- Terms and definitions: fuel importer and position holder
- Clarify methods used for calculating methane (CH₄) and nitrous oxide (N₂O) emissions from imported fuel
- Procedures for calculating and reporting emissions from biomass-derived fuels and supporting documentation

Natural Gas Suppliers Proposed Requirements

Applicability - OAR 340-215-0030(4)

- Includes interstate pipelines, natural gas utilities, importers of natural gas products, and in-state production

Reporting Requirements - OAR 340-215-0115

- Use EPA emissions quantification methodologies (Subpart NN for CO₂, Subpart C for CH₄ & N₂O)
- Report data on large end users:
 - Gas supplied to large end users (460,000 Mscf/ 25,000 MTCO₂e) along with identifying information about the end user
- Report data on marketers:
 - Gas transported for marketers contracting use of the distribution system along with identifying information about the marketer – no longer requiring amounts if not known.
- Procedures for calculating and reporting emissions from biomass-derived fuels and supporting documentation

Electricity Suppliers

Proposed Requirements

Applicability: OAR 340-215-0030(5)

- No proposed changes to applicability
- investor-owned utilities, electricity service suppliers, consumer-owned utilities, and others that import, sell, allocate, or distribute to end users in Oregon

Reporting Requirements: OAR 340-215-0120

- Clarify reporting requirements and calculation methods
- Improved emissions factor specificity
 - Specified sources (contracts or ownership/operational control; EFs assigned by DEQ)
 - Unspecified sources (unidentified market purchases; EF is 0.428 MT CO₂e/MWh)
- Point of reporting generally on load-serving entity, though BPA may report the preference sales provided to COUs serving Oregon customers
- Third-party may report on behalf of a COU after registering with DEQ

Petroleum and Natural Gas Systems Proposed Requirements

Applicability: OAR 340-215-0030(6)

- Owners or operators of petroleum or natural gas system with one or more segments listed in 40 C.F.R. part 98 230(a)(1)-(10) physically located in Oregon

Reporting Requirements: OAR 340-215-0125

- Use EPA emissions quantification methodologies (Subpart W) for infrastructure physically located in Oregon and report when emissions $\geq 2,500$ MT CO_{2e}

Petroleum and Natural Gas Systems

Industry segments covered by Subpart W

The majority of the Subpart W industry segments require an air permit and are subject to reporting as an air permitted source. The proposed rules now require reporting from unpermitted portions of these systems such as natural gas transmission and distribution pipeline.

Industry Segments

Petroleum and Natural Gas

- **Onshore Production:** Production associated with onshore production wells and related equipment
- **Gathering and Boosting:** Gathering pipelines and other equipment that collect petroleum/natural gas from onshore production gas or oil wells and then compress

Natural Gas Only

- **Natural Gas Processing:** Processing of field quality gas to produce pipeline quality natural gas
- **Natural Gas Transmission:** Compressor facilities used to transfer natural gas through transmission pipelines
- **Natural Gas Transmission Pipeline:** A rate-regulated interstate or intrastate pipeline
- **Underground Natural Gas Storage:** Facilities that store natural gas in underground formations
- **Natural Gas Distribution:** Natural gas distribution systems that deliver gas directly to the consumer

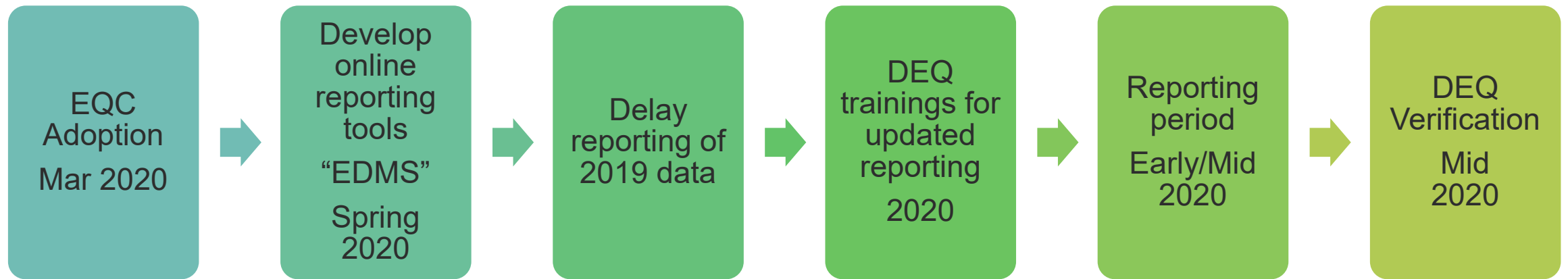
LNG Only

- **LNG Import/Export:** Liquefied Natural Gas import and export terminals
- **LNG Storage:** Liquefied Natural Gas storage equipment

DEQ Requesting Comment on Division 215 to Address:

- Does the rule properly use terms with industry specific meanings?
- Are the definitions and language easily understood?
- What additional definitions are needed?
- Are reporting and emissions data report requirements clear?
- Are deadlines and timelines reasonable and appropriate?

Proposed Rule Implementation and Timeline



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Fiscal and Economic Impacts Analysis

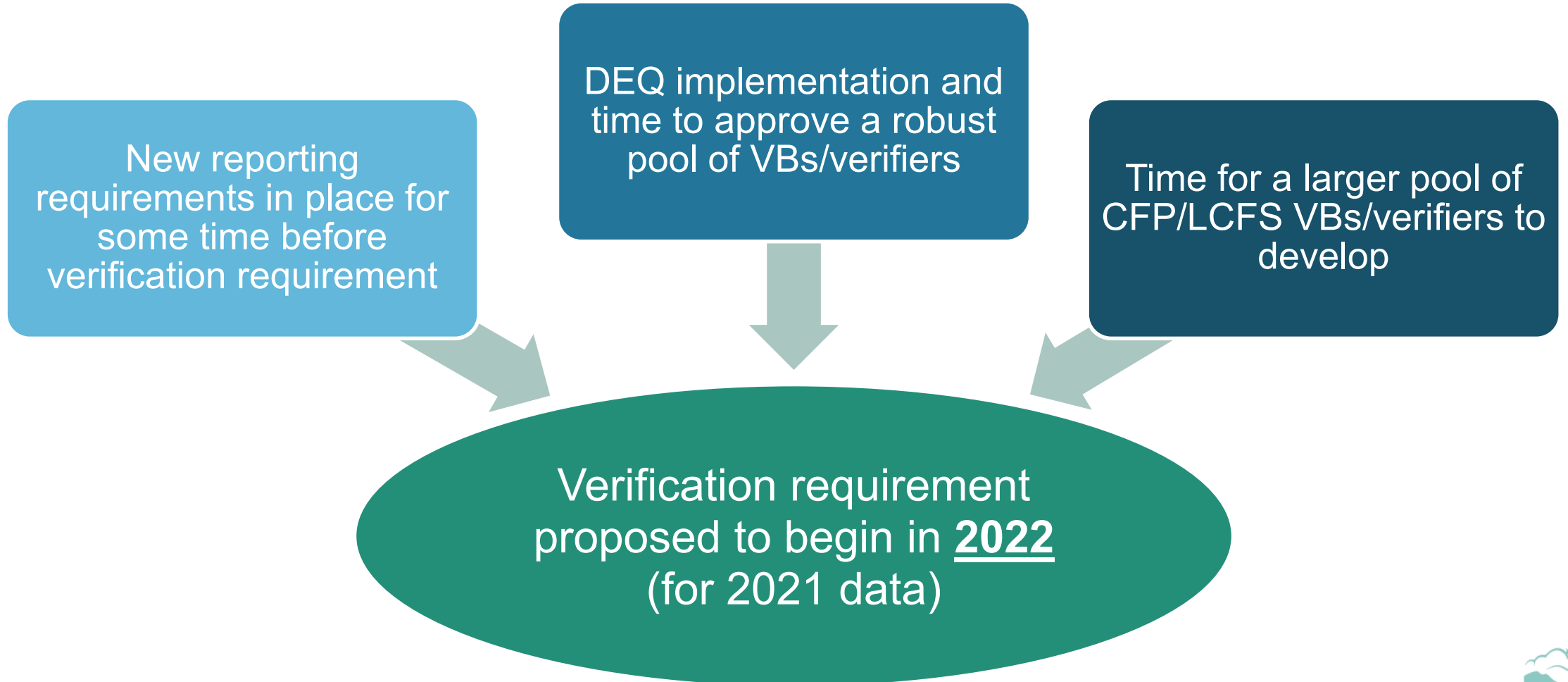
General Updates to Division 272

- Structure and minor language updates throughout to clarify requirements, definitions
- Effective date
- Point of responsibility clarification throughout
- Clarification of verification body (VB) / verifier criteria for DEQ approval and DEQ approval process
 - Modification, suspension, revocation of DEQ approval
- Procedures for Potential Adverse Verification Statement and Petition Process
- No changes:
 - Applicability
 - What must be done during verification services, generally

Division 272: General Structure

Rule	Contents
340-272-0010	Purpose and Scope
340-272-0020	Definitions
340-272-0100s	General requirements for responsible persons regarding verification
340-272-0200s	Applications and criteria for verification bodies/verifiers and DEQ approval process
340-272-0300s	Verification services – general requirements and DEQ review
340-272-0400s	Verification services – requirements of services performed
340-272-0500	Requirements for Conflict of Interest Evaluation

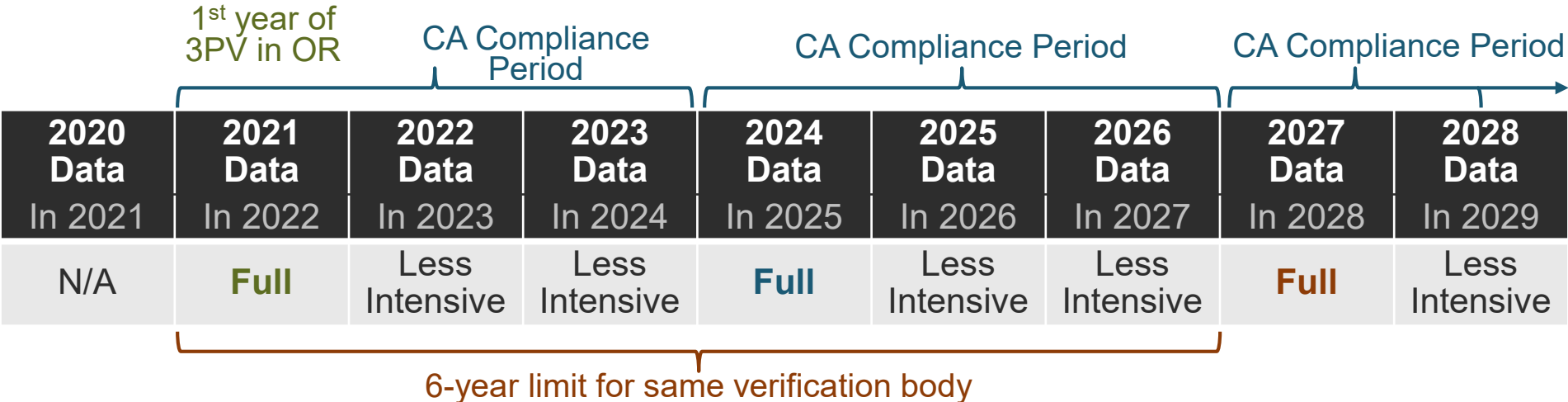
Change in Effective Date



Less Intensive Verification

OAR 340-272-0100(2)(B)

- Available for emissions data reports (GHG RP) and quarterly fuel transaction reports (CFP)
- Does not require site visit(s) and allows for streamlined data checks/document reviews based on sampling plan from most recent full verification. Less intensive verification is an option if:
 - No change in verification body
 - No change in ownership/operational control
 - Received positive verification statement the previous year
 - Verifier chooses not to conduct site visit



Key Responsibilities for Responsible Persons (those who submit applications/reports to DEQ)

OAR 340-272-0100

OAR 340-272-0110 & -0120

- Applications and reports that must be verified

OAR 340-272-0300

- Verification services

OAR 340-272-0500

- Conflict of interest (COI)

Ensure the requirements of Division 272 are met

- Verification services
- Conflict of interest

Engage the services of a DEQ-approved VB

Before verification services:

- Submit application/report to DEQ, with attestation
- Coordinate with VB and submit COI evaluation (and mitigation plan, if applicable)
- Receive approval from DEQ

Ensure verification statement is submitted to DEQ by the VB by the deadline

- For each separate application or report

Key Requirements for Responsible Persons

- OAR 340-272-0100 (general requirements)
 - Verification deadline of August 31 for modifications to reports and verification statements submitted to DEQ
- OAR 340-272-0350 (re-verification)
 - May be required if a conflict of interest is found between the reporter and the verifier or if a report fails a DEQ audit
- OAR 340-272-0435 (modifications to reports)
 - Correctable errors found during verification services must be fixed
- OAR 340-272-0500 (conflict of interest evaluation)
 - Responsible person must submit COI evaluation to DEQ, but should be conducted in coordination with VB

Key Requirements for Responsible Persons: Verification Services

- OAR 340-272-0300(2)
 - Ensure verification services meet the requirements of OAR 340-272-0405 through OAR 340-272-0495, as applicable, and are performed by a DEQ-approved verification body
 - Retain records as necessary for completing verification services according to recordkeeping requirements of OAR 340-215 or OAR 340-253, and make available to the verification body

Information that May be Requested/Reviewed During Verification Services

- Data and information required by/submitted for CFP or GHG RP
- Information and documentation used to calculate and report emissions, fuel quantities, and electricity/fuel transactions
- Other data and information as necessary for verification services
 - Information for the verifier to develop a general understanding of entity boundaries, operations, and electricity/fuel transactions
 - Documentation to confirm sources, sales, purchases of electricity/fuel
 - Contracts
 - Meter data
 - NERC e-Tags (may be used to confirm MWh/delivery in Oregon)
 - Procedures for missing data estimates

Key Changes for Verification Bodies and Verifiers

DEQ will **not** be standing up a verification accreditation program at this time

- OAR 340-272-0210 Applications and Criteria for DEQ Approval

1

Active accreditation: CARB, ANSI, or other program approved by DEQ

- CFP: CARB LCFS or other
- GHG RP: CARB MRR, ANSI for GHG Valid./Verif. Bodies (ISO 14065:2013), or other

2

Submit a complete application to DEQ

3

Successfully complete DEQ-approved trainings and exams

Applications and Criteria for DEQ Approval: Verification Bodies and Verifiers

OAR 340-272-0210

Sections (1)-(2)

General application
content requirements

Details of accreditation

- Include any sector specific accreditations under CARB
- Include any organizational-level sector accreditations under ANSI

Statement about which specific types seeking approval

- CFP: fuel pathways, quarterly, project by fuel(s), importers, producers, etc.
- GHG RP: emissions data reports by sector(s)

Certification agreeing to comply with the requirements of Division 272

- Notice, performing, completion of verification services
- Records retention
- Conflict of interest

Additional details specific to VB or verifier

- See following slides

Applications and Criteria for DEQ Approval: Verification Bodies

OAR 340-272-0210(3)

- List of staff and description of duties and qualifications (must retain at least two lead verifiers)
- List of judicial proceedings, enforcement actions, or administrative actions filed against the VB within the last five years
- Documentation that demonstrates maintaining a minimum of \$4 million U.S. dollars of professional liability insurance
- Identification of services provided: industries served, locations of services
- Organizational chart
- Internal conflict of interest policy and procedures

Applications and Criteria for DEQ Approval: Verifiers

OAR 340-272-0210(4)-(7)

- Statement about if application is for general, lead, sector specific

General

- Indicate employer or affiliated VB
- Demonstrate verification qualifications: degree, professional experience, trainings

Lead

- Accredited as lead verifier under CARB or ANSI
- For CFP fuel pathway applications or reports: experience in alternative fuel production technology and process engineering (mirrors LCFS requirement)
- For CFP quarterly or project reports for producers and importers of gasoline or diesel: experience with oil and gas systems; accreditation as an oil and gas systems specialist under CARB may be sufficient (mirrors LCFS requirement)

Sector Specific

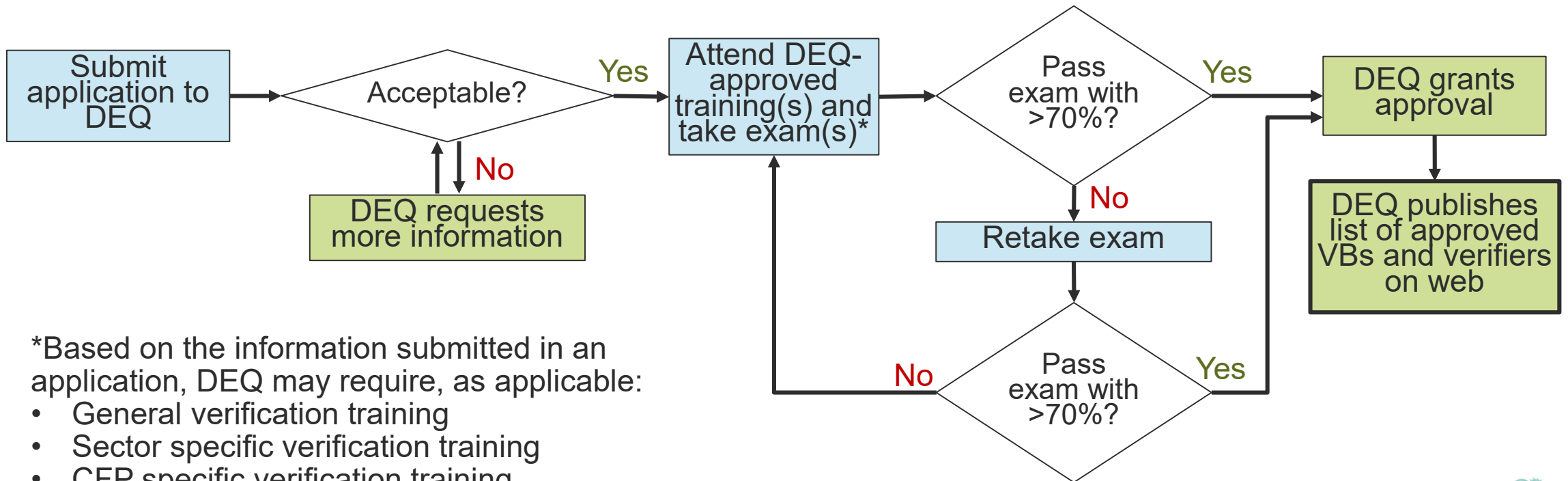
- At least two years of professional experience related to the sector in which seeking approval
- Details of any sector accreditations under CARB or ANSI

DEQ Approval Process: Verification Bodies and Verifiers

OAR 340-272-0210(1)-(7): application and criteria

OAR 340-272-0210(8): trainings and exams

OAR 340-272-0220: DEQ approval process



*Based on the information submitted in an application, DEQ may require, as applicable:

- General verification training
- Sector specific verification training
- CFP specific verification training
- GHG RP specific verification training

Key Requirements for VB / Verifier

- OAR 340-272-0500 (conflict of interest)
 - Responsible person must submit COI evaluation to DEQ, but should be conducted in coordination with VB
 - (8) Monitoring COI: both VB and responsible person must monitor and disclose to DEQ any potential COI that arises
- OAR 340-272-0495 (completion of verification services)
 - Independent review
 - Attestations in verification statement
 - Submit to DEQ: verification statement(s)
 - Provide to responsible person: verification report and verification statement(s)

Key Requirements for VB / Verifier: Verification Services

- OAR 340-272-0300(3)
 - Conduct verification services as described in OAR 340-272-0405 through OAR 340-272-0495, as applicable
 - Verifiers must be employed by, or contracted with a DEQ-approved VB
 - Subcontractor requirements
 - Retain records developed or relating to verification for at least 7 years
 - Reports, plans, verification statements
 - Any other documents, calculations, verification notes developed
 - Notify all responsible persons with a current contract or for which performed verification in the past six months of any modification, suspension, or revocation of DEQ approval

Modification, Suspension, or Revocation of DEQ Approval of VB / Verifier

OAR 340-272-0220(3)

- DEQ may modify, suspend, revoke approval
 - Falsify accreditation or DEQ approval
 - Fail to meet any other eligibility requirements or requirements to maintain approval
 - Verification services were not performed according to Division 272
 - Violation of the conflict of interest requirements
 - Knowingly or reckless submitting false or inaccurate information / verification statement
- DEQ action is subject to contested case procedures under ORS 183.413 through 183.470 and OAR chapter 340 division 11

Procedures for Potential Adverse Verification Statement and Petition Process

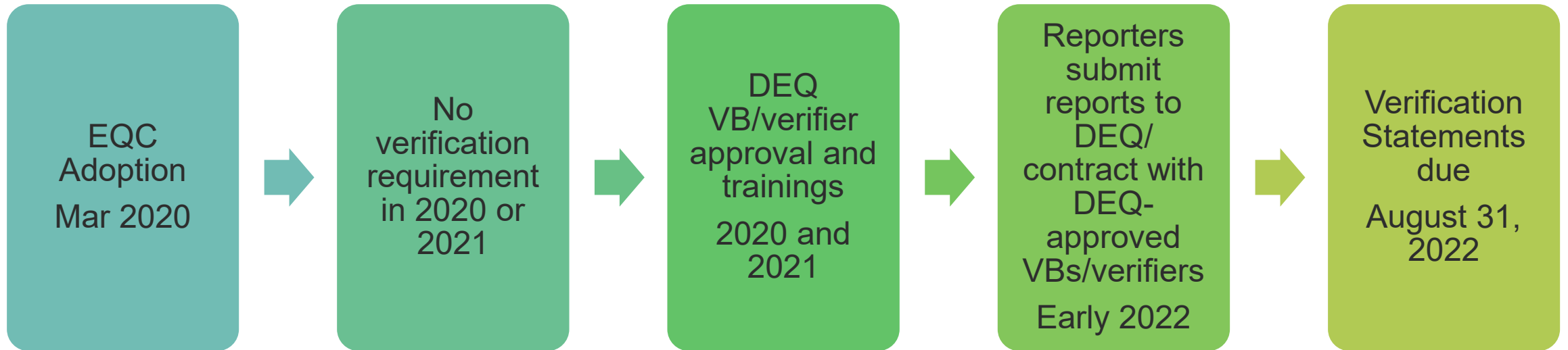
OAR 340-272-0495(5)

- VB may need to notify DEQ of a potential adverse verification statement
 - Prior to submission of adverse statement, VB must notify responsible person, & give them at least 14 days to modify
 - If potential for adverse statement remains within 14 days of deadline, VB must notify DEQ and include a current issues log
- Petition Process
 - If responsible person and VB cannot agree on modifications that result in positive / qualified positive statement, responsible person may petition DEQ to make a final decision
 - Must be done before the deadline and before the statement is submitted
 - Responsible person must submit information for DEQ to make a determination and DEQ will notify both parties once a determination is made

DEQ Requesting Comment on Division 272 to Address:

- Are the definitions and language easily understood?
- Are deadlines and timelines reasonable and appropriate?
- Are there other options that should be considered for the schedule for less intensive verification?
- Are the applicability requirements (and exemptions) reasonable?
- What additional definitions are needed?
- Are there any concerns about data sensitivity?

Proposed Rule Implementation and Timeline



Proposed Next Steps for Verification

- DEQ would begin the implementation process in 2020 after EQC adoption
- Continue development of:
 - FAQs and tips for the verification process
 - Best practices
 - Streamlining the verification process
 - Verifier application and evaluation forms
 - Trainings and exams
 - Guidance on sector specific qualifications for DEQ approval to perform verification for specific report types

RAC #2 Agenda

CFP Changes & Streamline Reporting: Greenhouse Gas Reporting Program (Division 215) and the Clean Fuels Program (Division 253)

Modify the Greenhouse Gas Reporting Program (Division 215)

Propose requirements for third-party verification (Division 272)

Fiscal and Economic Impacts Analysis

DEQ Requesting Comment on the Fiscal Impacts Analysis to Address:

- Did DEQ adequately assess the fiscal impact of the proposed rules and the extent of that impact?
- Do the proposed rules have a significant adverse impact on small businesses?
- If so, what recommendations do you have to reduce the small business impact?

Fiscal and Economic Impact

DEQ assessed the fiscal and economic impact of the proposed rules and grouped the results into three categories:

1. Impacts from new reporting requirements
2. Impacts from streamlining fuels reporting
3. Impacts of third-party verification

1 Impacts from New Reporting Requirements

- Key proposed changes to the GHG RP:
 - Report additional information
 - Improve documentation
 - Extend records retention requirement from 5 to 7 years
 - New reporting requirements for owners and operators of petroleum and natural gas systems

Fiscal Impact: **Variable** (see following slides)

- The costs of complying with the proposed changes to the GHG RP will vary from one entity to another, depending on existing monitoring and recordkeeping activities

New Information and Records Retention Requirements

- Additional data and information required for natural gas suppliers and air contamination sources
 - Any costs relate to allocating an incremental increase in staff time for reporting to DEQ
- Records retention change from 5 to 7 years ensures records are kept longer than the proposed verification body rotation cycle (6 years)
 - May be some additional costs if do not currently retain records for >5 years

Fiscal Impact: **Minimal costs**

- Costs/yr may range from \$0 to \$2,165 for new reporters to the GHG RP
 - Based on EPA Regulatory Impact Analysis for the Mandatory Reporting of GHG Emissions Final Rule (recordkeeping and reporting estimate)

New Documentation Requirements

- More substantial documentation of:
 - Biomass-derived fuels
 - Specified sources of electricity
- Initial allocation of staff time required to ensure proper documentation exists in current documents, contracts, etc. (if not there already), which will become regular practice for new documentation moving forward

Fiscal Impact: **Likely minimal costs**

- Additional costs depend on current contracts and business practices
 - DEQ lacks available information to estimate the costs of obtaining this level of documentation

Petroleum and Natural Gas Systems

- New reporting requirements for owners and operators of petroleum and natural gas systems emitting $\geq 2,500$ MT CO₂e
 - For entities already reporting to EPA / conducting business and op. in alignment subpart W requirements, costs relate to allocating an incremental increase in staff time for reporting to DEQ
 - Otherwise, costs may relate to additional staff and time to survey pipe for leak detection or improve monitoring and documentation of fugitive or vented natural gas
 - Requirement proposed to begin in 2021 to allow time to collect data and develop necessary systems

Fiscal Impact: **Minimal costs**

- Costs in initial year may range from \$330 to \$1,625
- Costs/yr afterwards from \$11 to \$169 per year

Based on EPA Economic Impact Analysis for the Mandatory Reporting of GHG Emissions Under Subpart W Final Rule (Table 4-8)

Impacts from New Reporting Requirements

Small Businesses: ≤ 50 employees

- 17 non-fuel suppliers, 12 fuel suppliers
- Minimal for new information, recordkeeping, documentation
- No impact from proposed reporting for petroleum and natural gas systems (none are small businesses)

Impact mitigation strategies:

- DEQ proposing to allow third-party reporting on behalf of a COU

2 Impacts from Streamlining Fuels Reporting

- Some administrative activities or initial training to develop reports for submission to DEQ in new format/reporting tools
 - Administration simplified for reporters subject to both CFP and GHG RP
 - Fuel suppliers dealing in non-CFP regulated fuels will see no change in reporting requirements but will use a new system for submitting reports
- Overall, fuel suppliers are expected to benefit
 - Single login eliminates need to report separately into different systems and alleviates administrative burden
 - Reduces some up-front paperwork

Fiscal Impact: **Low or no cost, then cost benefit once fully implemented**

- Combining CFP and GHG RP reporting for fuel suppliers reduces administrative burden

Impacts from Streamlining Fuels Reporting

Small Businesses: ≤ 50 employees

- 12 fuel suppliers
- Low or no cost, with benefit once fully implemented

3

Impacts of Third-party Verification

- Verification requirement begins in 2022 for 2021 data
- Minimal fiscal impacts from increased administrative and recordkeeping requirements
- More substantial fiscal impacts from the cost of contracting with a verification body to provide verification services

Fiscal Impact: **Variable** (see following slides)

- Costs will vary between CFP and GHG RP and from one entity to another depending on the nature of business and how many applications/reports require verification

Administrative and Recordkeeping

- Administrative: contract for verification services and interacting with verifiers
 - Minimal costs depending on current business practices and staff and time needed to develop new / rework existing contract with a verification body or have staff available during verification services
- Recordkeeping: change from 5 to 7 years and to allow for verification
 - Minimal or no costs depending on if do not currently retain records for >5 years or do not retain records with sufficient detail

Fiscal Impact: **Likely minimal costs**

- Additional costs depend on current contracts and business practices
 - DEQ lacks available information to estimate costs associated with increased administrative and recordkeeping requirements relating to third-party verification

Third-party Verification for GHG RP

- Costs depend on the business itself, DEQ reporting requirements by sector, and costs may increase if more than one emissions data report must be verified (but will not be one-to-one increase)
- Large pool of existing verifiers already qualified for GHG reports factor into costs
- Oregon streamlining with California provides benefits for those in both jurisdictions

Fiscal Impact: **Minor to moderate costs**

- Costs/yr may range from \$4,000 to \$10,000 depending on number of reports, depth and breadth of reporting requirements, business complexity
 - Based on comments from verifiers and regulated entities

Third-party Verification for CFP

- Costs depend on the business itself, DEQ reporting requirements, and costs may increase if more than one report must be verified (but will not be one-to-one increase)
- Small, developing pool of verifiers for California LCFS factors into costs
- Oregon streamlining with California provides benefits for those in both jurisdictions and those with recertified CA pathways in OR
- Verification provides the benefit of reducing liability

Fiscal Impact: **Substantial costs**

- Costs/yr may range from \$17,000 to \$70,000 depending on number of reports, depth and breadth of reporting requirements, business complexity
 - Based on comments from verifiers and regulated entities

Impacts of Third-party Verification

Small Businesses: ≤ 50 employees

- GHG RP: 7 (1 natural gas supplier, 6 fuel suppliers)
- CFP: 6 fuel suppliers

Impact mitigation strategies:

- Setting threshold values to exempt most small businesses:
 - GHG RP: anthropogenic emissions $\geq 25,000$ MT CO₂e
 - CFP: generate $\geq 6,000$ credits and deficits

DEQ Requesting Comment on the Fiscal Impacts Analysis to Address:

- Did DEQ adequately assess the fiscal impact of the proposed rules and the extent of that impact?
- Do the proposed rules have a significant adverse impact on small businesses?
- If so, what recommendations do you have to reduce the small business impact?

Opportunity for Public Comment

Comments and Feedback

- DEQ is currently accepting comment on:
 - Proposed draft rules
 - Fiscal impacts analysis
- DEQ will not be responding to individual comments
 - The official Public Comment period will be in December

Next Steps

- Please submit comment on today's discussion and updated draft rule language (available on the rulemaking webpage) by **COB November 15, 2019**
 - Submit comment to: GHG2019@deq.state.or.us
 - Include relevant subject matter lead

Rulemaking Resources

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