

State of Oregon  
Department of Environmental Quality

Memorandum

---

**Date:** April 18, 2017  
**To:** Environmental Quality Commission  
**From:** Richard Whitman, Director *Deak H. Eldon for*  
**Subject:** Agenda item D, Informational item: Oregon Clean Fuels Program update  
April 19-20, 2017, EQC meeting

**Purpose of item** DEQ will present the Oregon Clean Fuels Program 2016 Annual Report which will highlight the first year of implementation for the program. DEQ will also provide an update of the current rulemaking process, which DEQ will bring for commission action in late 2017.

**Background** DEQ has been successfully implementing the Clean Fuels Program for an entire year now. Overall, the regulated parties have over-complied with the 2016 standards, meaning that, on average, transportation fuels supplied in Oregon were cleaner than was required.

DEQ continues to work with fuel providers to make sure they are reporting accurately and on time as required by the regulation. In addition, DEQ continues its outreach to businesses that supply cleaner fuels such as propane, natural gas and electricity for transportation fuel to get them registered with the program and generating credits.

DEQ is also working with its advisory committee to design cost containment mechanisms as directed by Senate Bill 342. This analysis includes evaluating existing cost containment mechanisms currently adopted in the regulation and considering whether additional mechanisms are needed.

**EQC involvement** DEQ staff has provided periodic updates on the development and implementation of the Clean Fuels Program since 2010. The commission has also adopted several proposed rule changes to the program over the past several years.

Report prepared by Cory-Ann Wind  
*Oregon Clean Fuels Program*