



Oregon Clean Fuels Program

Guidance on Annual Fuel Pathway Reports

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Introduction

Pursuant to Oregon Administrative Rule 340-253-0450(8)(e)(C), to receive and maintain an active fuel pathway code, each pathway holder must submit an annual fuel pathway report into the Alternative Fuels Portal (contained within the Oregon Fuels Reporting System) no later than March 31 of each calendar year. The purpose of this guidance document is to provide transparency into the process that Clean Fuels Program staff will use to implement this requirement.

What must be included in the fuel pathway report

- Populate a copy of the same version of the simplified OR-GREET or full OR-GREET calculator used for the certified pathway, including the most recent two calendar years of operational data. For a provisional pathway, include the most recent operational data starting with your provisional period forward.
- For utility renewable electricity products and power purchase agreements: refer to OAR 340-253-0470(7)(c).
 - Provide information regarding sources and environmental attributes used and planned for use in the reported year. Include details about the retirement of RECs used to lower the electricity carbon intensity used by customers for products included in the CFP in the prior year.
 - If the product is certified by the Green-e Program, submit proof of completion of final verification (of the product) or a validation statement if the product is undergoing the program's Customer Procurement Review. Include an updated estimate of the amount of electric vehicle charging attributable to customers using the products or agreements.
- For biomethane or renewable electricity used in the fuel production process: Refer to 340-253-0600(8)(a)&(b), and any fuel pathway operating conditions provided by CFP staff.
- For joint applicants: subject to site visits by a third-party verifier, whose pathway involves using renewable or low-CI process energy, must submit invoices for that energy to the AFP.

Applicants should also consider and submit the following when submitting the annual fuel pathway report:

- Any temporally variable information requested or required by DEQ to be included in the initial application as supplemental information or any required data or documentation listed in the pathway’s operating conditions. This information must cover the same period as the updated OR-GREET model required for the annual fuel pathway report.
- If a pathway employs carbon capture and sequestration, the fuel pathway holder or joint applicant must submit annual reports of greenhouse gas emissions reductions, project operations, and ongoing monitoring results
 - CCS reports must include measurements of relevant parameters sufficient to ensure that the quantification and documentation of CO₂ sequestered is replicable and verifiable; and
 - DEQ may specify a protocol for measuring and reporting such information in its approval of such an application.

Review of the annual fuel pathway report

The verified operational CI must be calculated from the operational data covering the prior two calendar years of production.

- (1) If the verified operational CI as calculated from the operational data covering the prior two calendar years of production is lower than the certified CI, and a positive or qualified positive verification statement is issued for this period, starting in 2022 (for 2021 data), the fuel pathway holder may elect to keep the original certified CI or request to replace the certified CI with the verified operational CI. To replace the certified CI with the operational CI, the fuel pathway holder must submit all materials supporting the reduced CI values:
 - a. All materials required in a Tier 1 application (or a Tier 2 application, if applicable)
 - b. The fuel pathway holder may elect to add a margin of safety to the new certified CI.
 - c. The fuel pathway holder must submit an attestation¹ stating the following language.

Language for attestation letter: “The new CI can be maintained through the next reporting period with the acknowledgment that exceeding the newly certified CI in subsequent annual reports or verifications is a violation of the requirements of this division.”

¹ For 2021, please modify an existing attestation letter including the specified language. The CFP is in the process of developing a template for March 31 fuel pathway reporting that will be included this attestation language and other pertinent details to help streamline the March 31 reporting process. This revised guidance will be available in advance of the March 31, 2022 reporting deadline.

If the operational CI is found to be greater than the certified CI, the fuel pathway holder is out of compliance with this division and may be subject to investigation and enforcement by DEQ. Through voluntary action², the fuel pathway holder may indicate if the fuel pathway holder or the party holding the credit bank for the respective fuel pathway holder has credits to cover the impact of the CI adjustment for regulated parties impacted by this adjustment. Credit adjustment by DEQ through the administrative function of the Oregon Fuels Reporting System will occur either by:

- a. issuing deficits, or
- b. removal of credits

In the absence of voluntary action, DEQ will act administratively to protect the integrity of the Clean Fuels Program using the tools provided in OAR 340-253-0670 and OAR 340-253-1005(7). Administrative actions may be taken separately or in tandem with civil or criminal enforcement actions.

Adjustment to the fuel pathway code

Once the new FPC is certified, the old FPC will be sunset, and a new FPC will be issued for the adjusted CI value.

- (1) The adjusted CI and the previous CI will overlap each other by one quarter so that the producer/importer/etc. can move any stored gallons from the previous CI to the adjusted CI. Once the adjusted CI is certified, the previous (or old) FPC will be “sunset,” and a new FPC will be issued for the adjusted CI value. If the fuel pathway holder has stored gallons in Oregon with the previously certified CI, the gallons will need to be moved from the old FPC to the new FPC. This will be done by adding a loss of volume transaction in the old FPC in the amount of what is in the inventory in the quarter for that sunset FPC. The entity will then move those gallons into the new FPC associated with the new CI for the quarter that CI becomes active.
- (2) If the fuel pathway holder reports to the CFP for quarterly transactions, please let us know what company name(s) are used for reporting (i.e., including any related entities the company reports under in the reporting portion of the system).
- (3) Indicate any of the registered party or parties potentially affected by the CI adjustment (i.e., all entities that have made transactions on the initially reported & certified CI(s)).

² In accordance with OAR 340-253-0670, DEQ has the authority to suspend, revoke or modify an account, credits or a fuel pathway code in the Oregon Fuels Reporting System if the agency has good cause to believe illegitimate credits were generated or a carbon intensity is inaccurate.

Provisional pathways

To maintain an active provisional pathway eligible to generate credits, the applicant must file the annual fuel pathway report as described above. If a plant has been in commercial production for more than 24 months and the facility's operational CI is higher than the provisionally certified CI, DEQ will replace the certified CI with the operational CI in the OFRS. The actions described in the "Review of the annual fuel pathway report" and the "Adjustment to the FPC" sections above also apply to provisional pathways.

Alternative formats

DEQ can provide documents in an alternate format or a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.state.or.us.