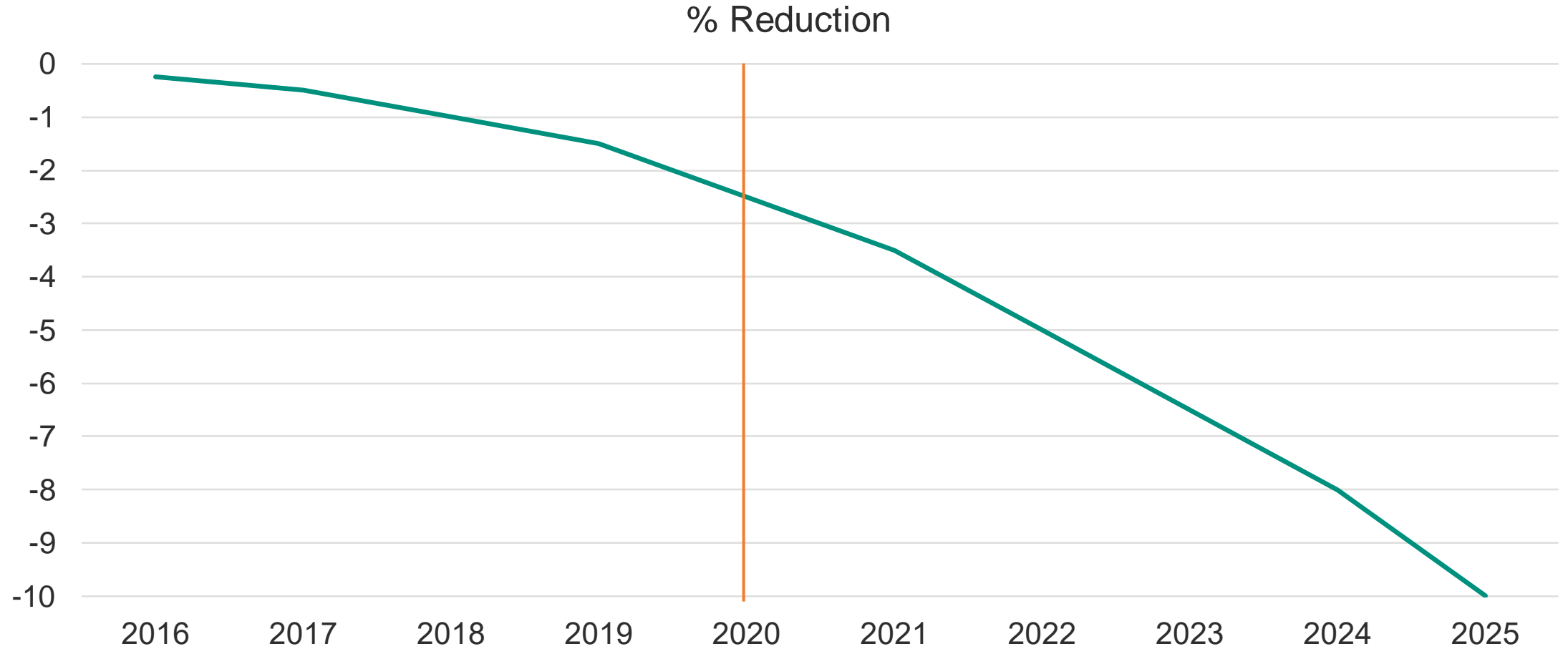


Oregon Clean Fuels Program

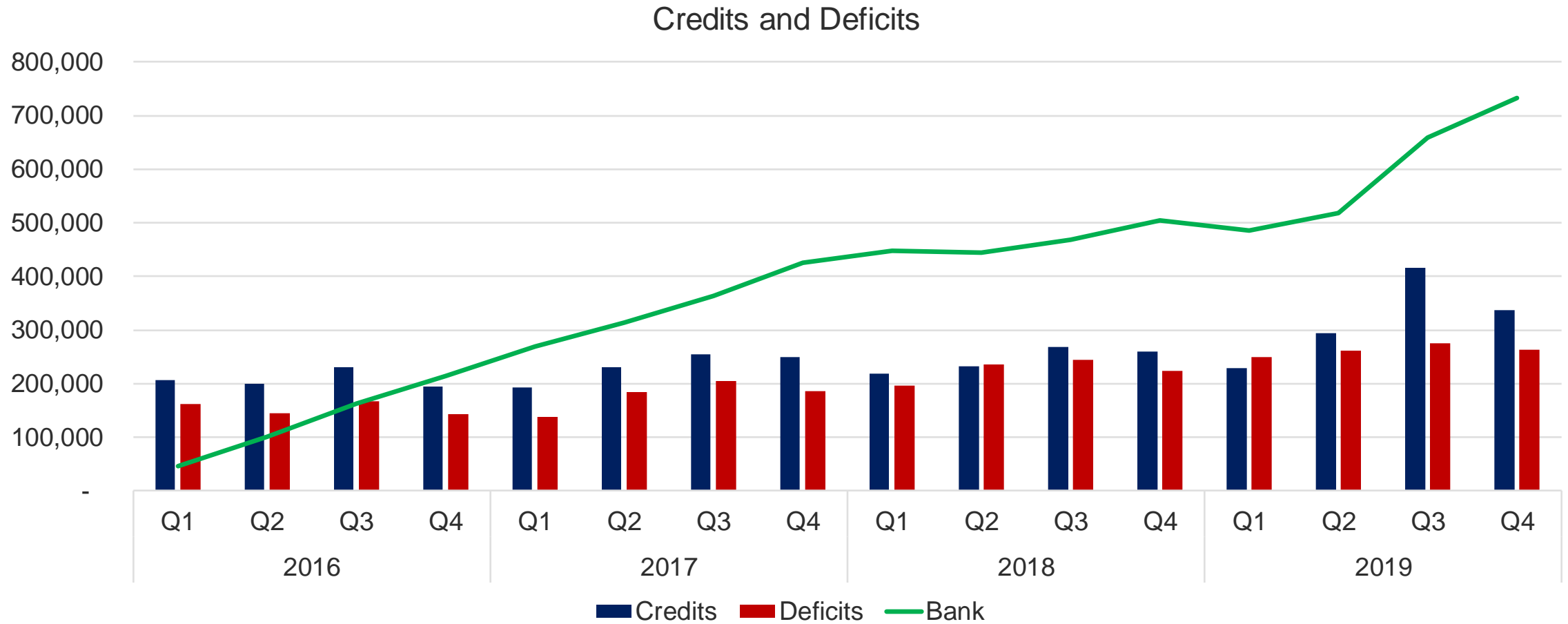
Reporting Changes to Implement the Greenhouse Gas 2019 Rulemaking

May 14, 2020

Where we are in the CFP



Current status of CFP

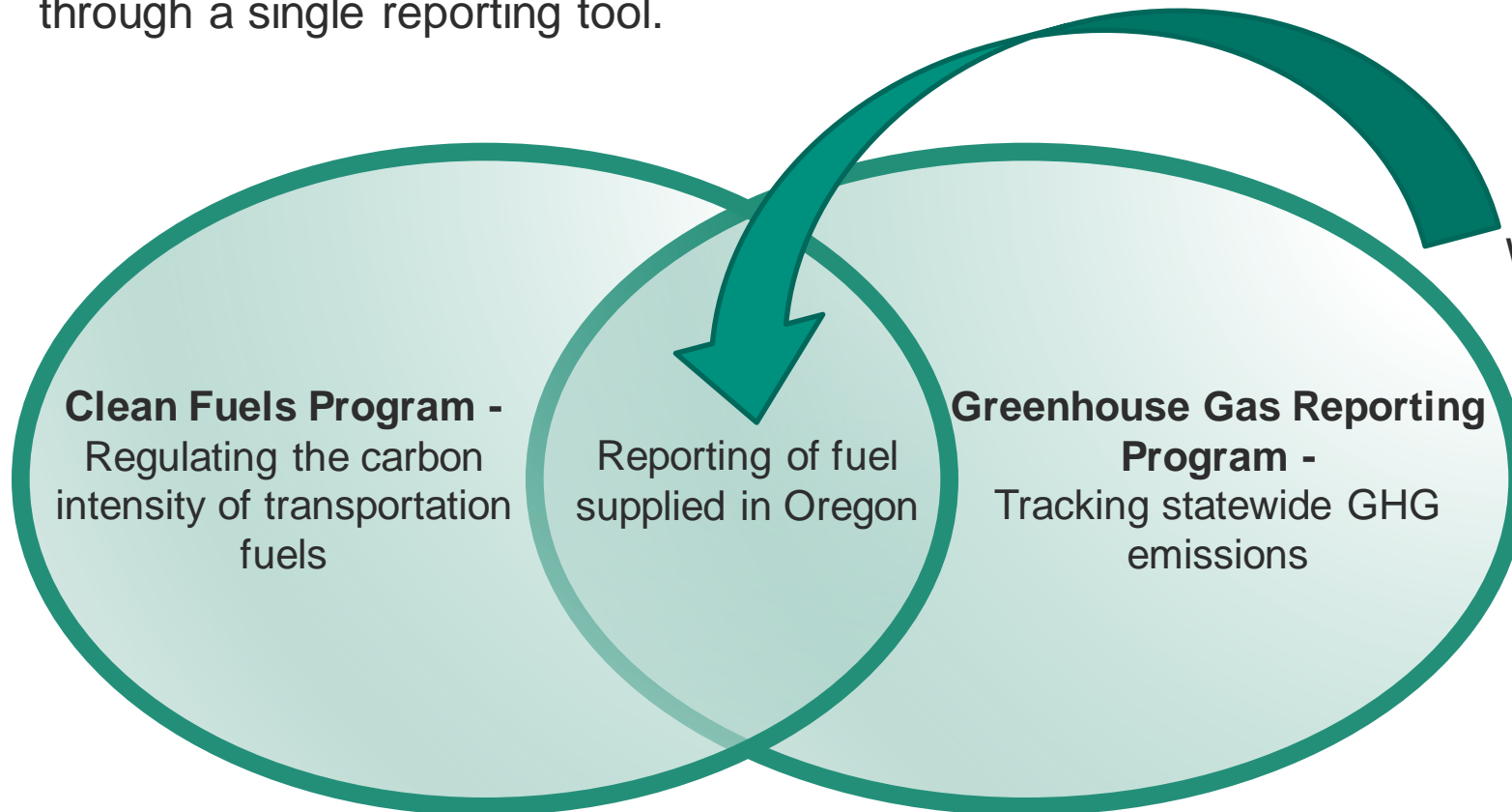


Overview

- The purpose of this webinar is to inform you on how to implement the new quarterly reporting aspects of the GHG 2019 rulemaking as adopted by the Environmental Quality Commission at the May 7th meeting.
- Specifically, the focus here is how to implement the streamlining of CFP and GHG reporting requirements for fuel suppliers.
- Information on the implementation of other aspects of the rulemaking, including the third party verification program, will be forthcoming.

Streamlining fuels reporting

DEQ's goal is that starting with reporting of 2020 data, each gallon of fuel only needs to be reported once through a single reporting tool.



What is the overlap?

- Regulated fuels that are required to participate in CFP (gasoline, diesel, ethanol, biodiesel, and renewable diesel)
- Transactions/volumes reported as the position holder in GHG RP

New name for the reporting tool

- DEQ has been upgrading the CFP Online System to support both the CFP and the GHG RP.
- As adopted in last week's rulemaking, the new reporting tool will be called the Oregon Fuels Reporting System (OFRS).
- You won't see the name change in the tool yet but it will be part of future software updates.
- The url to access the tool will remain the same.

Delaying the Q1 2020 reporting deadlines

- In order to give you some extra time to implement the changes in the new rules, we are delaying the reporting deadlines. The new deadlines for Q1 2020 data are:
 - Upload transactions by May 31 (previously May 15)
 - Reconcile and submit reports by July 31 (previously June 30)
- If your data does not need to be reconciled or has been successfully reconciled with your business partners, you can submit earlier

What's to come for the GHG annual report

- The new OFRS will sum up quarterly reports that were submitted for the regulated fuels into an annual report.
- Parties will be able to modify that data to make it more detailed if they choose. For example, E10 gasoline volumes can be broken out by grade or season.
- You will then add fuels not covered by the CFP but are by GHG RP: propane, unfinished oils, kerosene, jet fuel, etc.
- Trainings on the new annual report will be held once those software updates are implemented

What is the bulk system?

- “Bulk system” means the fuel distribution system consisting of refineries, pipelines, vessels and terminals.
 - The “bulk system” definition excludes intermediate storage, which is generally owned by a single party and is used to temporarily hold finished fuels before being delivered to the end user or a retail gas station.

New transactions types - Import

- **“Import within the bulk system”**
 - Fuel that will later be reported as position holder sales and is entering the state to go into a terminal
 - No effect on GHG report
- **“Import outside of the bulk system”**
 - Fuel that is going directly to a retail site, a customer, or intermediate storage
 - Will be summed as “fuel importer” emissions for the GHG report

Within and outside of the bulk system

Import <i>within</i> the bulk system	Import <i>outside</i> of the bulk system
<p>Fuel imported by pipeline, barge, truck, or ocean tanker into a bulk fuel terminal where it will then be sold by a position holder and reported as a position holder sale</p>	<p>Fuel imported by truck, barge, or rail into intermediate storage owned by a single entity which then delivers it directly to the end user or a retail gas station</p>
	<p>Fuel imported by any mode directly to a retail gas station, cardlock, or otherwise being delivered directly to the end user of the fuel.</p>

What's a Position Holder?

- “Position Holder” means any person that holds the inventory position in gasoline, distillate fuel, ethanol, biodiesel, renewable diesel, propane, or aircraft fuel as reflected in the records of the terminal operator or a terminal operator that owns fuel in its terminal.
- “Position Holder” **does not** include inventory held outside of a terminal, fuel jobbers (unless directly holding inventory at the terminal), retail establishments, or other fuel suppliers not holding inventory at a fuel terminal.

New transaction types – Position Holder

- **“Position Holder Sale Without Obligation”** – Must be used to report position holder sales, can be aggregated on a monthly or quarterly basis. These gallons will become “Position Holder” gallons on your GHG annual report.
- **“Position Holder Sale for Export”** – Should only be used for position holder sales where the BOL is for an out of state destination. If the exporting party is in the system, tag them as the business partner, otherwise use the undefined business partner.
- **“Purchase from the rack for Export”** – The matching transaction for the purchaser to report. Must tag the position holder as the business partner.

Reporting sales to below the rack

- Position holders tag business partners who are registered parties in the CFP or report those volumes in aggregate to the 'Undefined' business partner (14-9876543).
- Sales to below the rack can be broken out into the fuel-specific FPCs dispensed over the quarter, or the substitute FPCs for specific blends.
- DEQ will consider adding new substitute FPCs for additional blends as warranted.

Obligation indicators for new transaction types

	Import into the bulk system	Import outside of the bulk system	Position Holder Sale	Position Holder Sale for export	Purchased from the rack for export
CFP Obligation Indicator	+	+	0	-	+

Reminders about using Substitute FPCs

- Substitute FPCs are limited-use FPCs that can only be used when the specific CI information for a liquid fuel or its components is not being passed on to the buyer.
- The substitute FPCs can only be used for: sales or purchases without obligation, exports, loss of inventory, not for transportation use, exempt fuel use, and the new position holder-related transactions.

Substitute FPCs for specific blends

Description	FPC	Carbon Intensity
Substitute CI for E10 Gasoline blended inside of Oregon . This pathway may only be used to report transactions that are sales or purchases without obligation, exports, loss of inventory, not for transportation use, and exempt fuel use.	For 2019: ORGAS0116	96.59 gCO ₂ e/MJ
	For 2020 and beyond: ORGAS0116_1	96.00 gCO ₂ e/MJ
Substitute CI for B5 Diesel blended inside of Oregon . This pathway may only be used to report transactions that are sales or purchases without obligation, exports, loss of inventory, not for transportation use, and exempt fuel use	For 2019: ORULSD01165	97.26 gCO ₂ e/MJ
	For 2020 and beyond: ORULSD01165_1	96.71 gCO ₂ e/MJ
Substitute CI for B20 Diesel blended inside of Oregon . This pathway may only be used to report transactions that are sales or purchases without obligation, exports, loss of inventory, not for transportation use, and exempt fuel use.	ORULSD011620	84.45gCO ₂ e/MJ

Which FPCs can be used with the new transactions?

	Import into the bulk system	Import outside of the bulk system	Position holder sale	Position holder sale for export	Purchased from the rack for export
Pure Gasoline/Diesel FPCs (001's)	Yes	Yes	Yes	Yes	Yes
Imported finished E10/B5 FPCs (002's)	No	Yes	No	No	No
Substitute FPCs (0116's)	No	No	Yes	Yes	Yes
Biofuel FPCs	Yes	Yes	Yes	Yes	Yes

CFP Online System outage next week

- We will be taking down the Online System for a day next week for Reporting Tool updates that will add the new transactions to the system.
- We'll send an email to all users when the date is confirmed.

Questions?

Please email us at OregonCleanFuels@deq.state.or.us

What's next?

- CFP is part of the new Office of Greenhouse Gas Programs.
- CFP is expanding. We're adding a new team member to focus on pathway applications.
- We're also hiring a new team member to implement the new third-party verification program for GHG RP and CFP.
- Executive Order 20-04 directs DEQ to expand the Clean Fuels Program to achieve 20% by 2030 and 25% by 2035.
- EO 20-04 also directs DEQ to work with Oregon's electric utilities to advance the transportation electrification goals set forth in Senate Bill 1044 (2019).
- The workplan to implement the CFP items will be submitted to the Governor on May 15th. A webinar to discuss the elements of the workplan is scheduled for May 22nd.