



State of Oregon Department of Environmental Quality

Frequently Asked Questions for Verifiers

Oregon Clean Fuels Program

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Find answers to commonly asked questions about performing verification activities for Oregon's Clean Fuels Program. Click to navigate to a specific question in the Table of Contents below. If you do not see the answer to your question here, please email us at 3PVerify@deq.oregon.gov. This document is frequently updated with new questions and responses.

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What documentation needs to be submitted to DEQ in case of a recertified California pathway?

Can a fuel pathway be recertified in Oregon if it received an adverse verification statement in California?

Given how California is phasing in its Conflict of Interest policies, if we are verifying a fuel pathway with the intent to recertify in Oregon but a conflict of interest exists with the producer, how will Oregon handle this?

Will all California operating conditions for fuel pathways be applied to Oregon pathways, or are they separately evaluated by DEQ for use in the Clean Fuels Program?

General verification questions

Will DEQ reach out to regulated entities in Oregon about their verification requirements in 2022?

Yes, DEQ will reach out to ensure that the entities that are potentially subject to verification for the program understand what is required of them. However, regulated entities are ultimately responsible for complying with the provisions of OAR 340-272, including verification applicability.

Does accreditation for California Air Resources Board's (CARB) Mandatory Reporting Rule (MRR) program allow verifiers and verification bodies to perform verification activities for Oregon's Clean Fuels Program?

All verifiers and verification bodies who want to perform verification activities for Oregon's Clean Fuels Program must be accredited through [CARB's Low Carbon Fuel Standard \(LCFS\) program](#).

Is DEQ planning to allow for virtual site visits if the pandemic continues?

If virtual site visits are a need for the 2022 verification year, DEQ will provide guidance to stakeholders.

What verification forms will DEQ provide on its website, and who is responsible for submitting them?

DEQ will provide the following forms on its 3PV website:

Conflict of interest disclosure: Administered through Adobe Sign and submitted by the responsible entity. Available under "Information for Responsible Entities" for the appropriate program.

Notice of verification services form: Administered through Adobe Sign and submitted by the verification body. Available under both "Information for Verification Bodies" and "Information for Verifiers" for the appropriate program

Verification statement: Administered through Adobe Sign and submitted by the verification body. Available under both "Information for Verification Bodies" and "Information for Verifiers" for the appropriate program. If the verification is for a CFP fuel pathway application, annual fuel pathway report or CFP quarterly reports, the verification statement must also be uploaded to the Oregon Fuels Reporting System using the "Verification Statement" action on the "RptReviews" tab.

For verification, will we submit the same Conflict of Interest (COI) and Notice of Verification Services (NOVS) forms as are submitted to CARB? Or will they be exclusive to DEQ?

DEQ has its own COI and NOVS forms, which are available on our website and administered through Adobe Sign.

What is the Oregon approval process for Conflict of Interest (COI) and Notice of Verification Services (NOVS) forms?

DEQ will provide agency administrative approval in writing after reviewing and approving completed forms. Approval must be granted before verification activities can begin.

What is an “insignificant service” for the purposes of conflict of interest disclosure?

The rule does not define an insignificant service other than in relation to other types of services listed. Therefore, best practice would be to disclose any services provided that are not listed as high conflict of interest services and not otherwise specifically exempted.

Does any amount of “insignificant” services create a high conflict of interest?

When disclosing insignificant services, OAR 340-272-0500 (6)(c)(C) asks for an “Explanation of how the amount and nature of work previously performed is such that any member of the verification team’s credibility and lack of bias should not be under question”. So while there is no set amount of insignificant service that automatically triggers high conflict of interest, the amount of services provided still factors in to DEQ’s evaluation. According to the rule, “DEQ may, at its discretion, determine that a high conflict of interest exists when a member of the verification team provided services within the previous five years, but the services were not services that result in a potential for a high conflict of interest according to section (2). If DEQ makes such a determination, it must explain in writing why it believes the work performed creates a high conflict of interest.”

In what situations is an updated conflict of interest form submittal required? In what situations is it not required?

The responsible entity should submit an updated conflict of interest form if:

- It is a new verification year (you can use the same information from last year’s form if nothing has changed)
- There has been any change in organizational structure to the responsible entity or verification body that may introduce new potential conflicts (mergers, acquisitions or divestitures)
- A new person will join the verification team, who was not included on the initial disclosure
- Any other potential conflict of interest situations arise that were not included on the initial disclosure
- Any information on the Notice of Verification Services form has changed since the conflict of interest disclosure was submitted

Conflict of interest must be monitored by both the verification body and the responsible entity for a period of one year following completion of verification, and a new form submitted if new conflicts are introduced during this time.

A new form does not need to be submitted if an individual leaves the verification team.

If a fuel supplier is subject to verification for both the Clean Fuels and Greenhouse Gas Reporting Program, can it use the same verification body for both obligations? What documentation is required?

Fuel suppliers may use the same verification body for both their Clean Fuels and GHG Reporting verification obligations as long as the conflict of interest disclosure form is approved. The verification body will need to submit separate verification statements for each program’s verification obligation.

The verification body may use its professional judgement in determining whether to produce separate verification reports in this situation or combine them into a single document. However, in case DEQ requests the verification report, it should be clear:

- When the verification body is referring to a CFP application/report and when it is referring to a GHG report
- That the verification team conducted a separate assessment of material misstatement for each application/reporting type under investigation
- How the verification body reached the conclusion in the verification statement for each application/reporting type

How long do I need to retain records related to verification?

Records related to verification need to be retained on paper or in electronic format for at least seven years after the verification statement is submitted. Records need to be detailed enough to allow for transparent review of how the verification body reached the conclusion in the verification statement, including independent review. At a minimum, you must retain records of: the initial report or fuel pathway application submitted by the responsible entity to DEQ for which you conducted verification, contracts for verification, verification and sampling plans, verification reports, verification statements, and any other materials developed as part of providing and completing the verification.

According to the training materials, the data check must focus on the “most uncertain data.” How do you identify the most uncertain data?

This is based on what you are seeing with regard to data quality and collection, your understanding of the regulated entity’s recordkeeping systems, and most importantly your professional judgement. For example, if you are on a site visit and the entity looks to have well-calibrated meters but their feedstock receipt system is more manual, with handwritten invoices and changing notations, you would likely assign the latter data a higher level of uncertainty.

What form of proof can the entity provide for accuracy of replacement for missing data? Would a calculation with their substitution method be considered proof of accuracy?

Both the CFP rules (Section 253) and 3PV rules (Section 272) discuss procedures for missing data. Ideally, the regulated entity would realize the data was missing and discuss this with DEQ, so we can approve an alternate method for the data. If the regulated entity has questions related to missing data, you can direct them to DEQ staff 3PVerify@deq.oregon.gov

What is an independent reviewer?

The independent reviewer is a lead verifier within the verification body, but not a part of the verification team. The intent of an independent reviewer is to act as a last check on the verification report, so independent reviewers may not participate in planning or performing verification activities for a report they will review. Subcontractors can be verifiers, but cannot be independent reviewers. An independent reviewer must be an approved lead verifier but does not need to be a sector specific verifier.

Are verifiers-in-training allowed to participate on verification teams in Oregon?

Yes, under the following conditions:

- They are disclosed on the conflict of interest and notice of verification services forms prior to verification
- They are under the direct supervision of the lead verifier at all times
- The verification body meets all other requirements for lead and sector-specific verifiers for the verification services they intend to perform

Can California verifiers-in-training take the Oregon CFP training and exams?

According to OAR 340-272, being accredited as a verifier in California is required before taking Oregon's training and exams. In California, experience as part of a verification team as a verifier-in-training counts toward the experience requirements should the trainee later apply for their own accreditation.

Does DEQ need to approve the sampling plan for a verification?

According to OAR 340- 272, agency pre-approval of a sampling plan is not required. However, the sampling plan must be retained according to the recordkeeping requirements of OAR 340-272-0300(3)(d) and must be made available to DEQ upon request.

How will information within the reporting system be provided to verification bodies and to DEQ?

The long-term intent of DEQ is to provide access and information to verifiers electronically through the Your DEQ Online or Oregon Fuels Reporting System platforms, but regardless of the information delivery system, it is the responsibility of the entity to provide relevant information to the verification body. Given the current timelines of DEQ's IT projects, responsible entities may need to manually transfer information in the initial years of the verification program. As new systems and process are implemented, DEQ will provide access and training to verifiers and responsible entities.

Will DEQ publish email addresses of the list of approved verifiers to facility networking among verifiers?

DEQ's approved lists of verifiers include the verifier name, employer affiliation, email address, phone number and qualifications.

Will DEQ publish contact information for responsible entities to facilitate marketing for verification? What information for reporters will be available other than the entity name?

DEQ does not publish contact information for responsible entities. A list of registered parties for the Clean Fuels Program is published [here](#), and lists of reporting entities for the GHG Reporting Program are published [here](#).

Are there continuing education requirements for CFP Verifiers once they are qualified to perform verification services?

DEQ's verification rules (found in [OAR 340-272](#)) do not require continuing education for lead verifiers. However, the rules do stipulate that the verifier or Verification Body must notify DEQ in the event of changes related to staffing, accreditation or compliance with Section 272, or if a non-conformance is identified. All Oregon approved CFP Verifiers must maintain accreditation with the California Air Resources Board. They also must update their approval with DEQ every three years by going through the

application and approval process. DEQ reserves the right to require additional training of verifiers as frequently as is deemed required for successful implementation of the program.

Questions about verification of quarterly fuel transaction reporting

Can you discuss the inclusion of the Greenhouse Gas Reporting Program in the quarterly fuel transaction reports? Will this be clearly noted on each affected transaction?

The Greenhouse Gas Reporting Program requires reporting of fuel volumes that are used in the state of Oregon. This includes, but is not limited to, CFP regulated fuels. For this reason, CFP regulated fuels reported quarterly are automatically included in Greenhouse Gas Reporting Program annual reports. The best way to determine if the gallons that are reported to CFP will then be included in the roll up of fuel volumes for the Greenhouse Gas Reporting Program's annual report is to understand the way transaction types work in the Oregon Fuels Reporting System. Based on the fuel and transaction type, fuel volumes will either be included or excluded in the roll up of gallons transferred to the Greenhouse Gas Reporting Program's annual report.

For the CFP, imported fuel transactions have been broken into two categories: fuels that are imported inside the bulk system and fuels that are imported outside of the bulk system. Gallons that are imported outside the bulk system use the "imported outside of the bulk system" transaction type and will be rolled up into the Greenhouse Gas Reporting Program's annual report for that company as Fuel importer gallons. These fuel volumes are being delivered to retail sites, card locks, etc., for use in Oregon. For gallons that are imported inside the bulk system, the reporting entity uses the "imported inside of the bulk system" transaction type. To determine which volumes of fuel reported using this transaction type will be rolled up in the Greenhouse Gas Reporting Program's annual report, the CFP added position holder transaction types into the Oregon Fuels Reporting System. These include the "position holder sale without obligation" and "position holder sale for export" transaction types. The "position holder sale without obligation" transaction type is used for fuel volumes that remain inside of Oregon. These fuel volumes are included as position holder gallons for the Greenhouse Gas Reporting Program's annual report. The "position holder sale for export" transaction type is used for fuel volumes exported out of the state and are not included in the Greenhouse Gas Reporting Program's annual report.

If a transaction is not subject to verification (for example, the sale or purchase of fuel with or without obligation), do we need to look at any of the subsequent transactions if we are looking at a scenario involving an importer?

You may need to review transactions that are not required to be verified to see how the fuel is flowing through a system and ensure it is being reported correctly, but verifiers do not need to verify these transaction types. Certain transaction types may need to be verified under the GHG Reporting Program.

What chain of custody documentation would be expected for fuel an importer receives from "Non-opt in production facilities"? Are BOLs sufficient if they do not contain fuel pathway codes?

You will need to review documentation which shows the fuel pathway codes and that indicates the producer of the fuel. If these aren't included in the BOL, you would need additional documentation that does include these in order to verify the information is correct. This would be included in the Product Transfer Document required under (OAR 340-253-0600(2) and reviewed on slides 33 and 34 of the course 3 training.

- Fuel transfers must be documented by a Product Transfer Document [OAR 340-253-0600(2)]
 - Document or combination of documents that authenticates the transfer of ownership of fuel from a fuel reporting entity to the recipient of the fuel and contains information supplied by other fuel transaction documents including:
 - Bills of lading, invoices, contracts, meter tickets, rail inventory sheets, renewable fuel standard product transfer documents
 - PTD is a record required to be kept for fuel transactions
- A PTD must include [OAR 340-253-600(2)]:
 - Transferor and recipient company name, address and contact information
 - Transaction date, FPC and CI, fuel quantity and units
 - Statement identifying whether the CFP obligation is being passed to recipient
 - Fuel production company ID and Facility ID as registered with RFS program (this does not apply to fossil fuels)

Course 3 says that the same unit of biomethane may not be claimed as used in Oregon under the CFP and claimed as used in another state or other program. How can the verifier confirm whether it is claimed for another program?

You would want to ask the responsible entity whether any units of biomethane are claimed in other programs, then request records such as attestations, unredacted contracts, and/or invoices that have to do with the biomethane being claimed. Make sure the records link the environmental attributes of the biomethane with corresponding quantities of natural gas withdrawn. Alternately, certain responsible entities have begun reporting this information in registries like M-RETS (<https://www.mrets.org/m-rets-renewable-thermal-tracking-system/>) and this could serve as adequate documentation in such cases. If you find any issue that remains unresolved but the company does not have conformance issues in their reporting, you should list this in the Log of Issues and, if necessary, give a Qualified Positive verification statement.

Are “Purchase Below the Rack for Export” and “Export” transactions subject to third party verification?

Purchased below the rack for export may or not be subject to third party verification, but only under our GHG Reporting Program. For CFP purposes, a “Purchase Below the Rack for Export” transaction does not need to be third party verified.

When conducting a high level review of the summary reported data, would we expect to see imports equal to sales for each Fuel Pathway Code? If sales exceed imports, is it a red flag?

Yes, if they are selling more than they are showing they imported, this is a potential red flag. Verifiers can review the totality of reporting to see if other purchases of fuel are being made within the state/terminal using purchase with or without obligation transaction types, or if the volumes are related to fuel previously imported and stored in state within the prior quarter. These transaction types are not subject to verification but will show if the entity was purchasing enough fuel to meet the amount of exports. There are some entities that export more fuel than they import because of purchases made in state and then exported out.

Issues such as this should be resolved by the entity, and should be listed in the log of issues and can affect the verification statement as a qualified positive instead of a positive verification statement, depending on what the verifier finds.

Questions about verification of fuel pathways and carbon intensity

What is a “re-certified” fuel pathway?

Oregon allows for fuel pathways that have already been approved for use in the California LCFS program to be subject to a more streamlined review for use in the Clean Fuels Program. Typically, the fuel pathway holder will submit to DEQ the entire application package that was submitted to California’s Air Resources Board, including a verification statement, staff summary and a copy of the Oregon GREET model that details the adjustments that need to be made for the fuel coming into Oregon (generally an adjustment for transportation distance). The most recent OR-GREET model and calculators are available at this link: [State of Oregon: Oregon Clean Fuels Program - Fuel Pathways – Carbon Intensity Values](#)

There are differences between the California LCFS and the Oregon Clean Fuels Program in regard to whether the fuel pathway needs to be verified. If fewer than 6,000 credits and deficits are being generated in California’s program, the pathway is not subject to verification; however if more than 6,000 credits and deficits are being generated, the pathway would be subject to annual verification in Oregon. Sometimes there are differences in the staff summary operating conditions and notes that are specific to Oregon and these should receive additional attention from verifiers.

When dealing with recertified fuel pathways from California, is the pathway holder the one responsible for submitting the verification statement that was submitted to CARB, and is this a requirement annually for all pathway holders participating in the CFP?

Please see OAR 340-272-0110(2)(c)(B) for the details. The responsible entity (the fuel pathway holder in this case) is responsible for making sure that DEQ gets the verification statement. It may also be possible for the verifier for the California verification to submit the materials to us, but some of that will depend on how we implement the verification process over the next year so there is not a firm answer at this point.

If a fuel pathway is being recertified from California, does it need to go through separate verification for Oregon’s Clean Fuels Program?

There are often differences between the CFP and CARB LCFS pathways. Differences may include transportation mode or mileage, operating conditions, etc. Those differences will need to be reviewed by CFP staff and are subject to verification by a 3PV body.

Oregon’s program rules do not have a requirement for each individual pathway to go through validation- we largely defer to CARB. For the purposes of verification, verification statements from California do apply in Oregon. Entities may contract with the same verifier for both California and Oregon verifications, as recertified pathways only need minor adjustments due to the fuel traveling into Oregon.

What documentation needs to be submitted to DEQ in case of a recertified California pathway?

If a pathway is being re-certified, we will accept the verification statement to CARB as long as it notes the difference in travel distance for the fuel coming into Oregon (see OAR 340-272-0110 here: <https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=269380>) or any other differences needed to adjust the CI for the fuel coming to Oregon. If the fuel producer is not required to be verified in California but they are required to be verified that year in Oregon, they would need to submit a COI and NOVS to us specifically.

Can a fuel pathway be recertified in Oregon if it received an adverse verification statement in California?

If there is an adverse verification statement in California, the pathway holder cannot submit an application to Oregon's CFP.

Given how California is phasing in its Conflict of Interest policies, if we are verifying a fuel pathway with the intent to recertify in Oregon but a conflict of interest exists with the producer, how will Oregon handle this?

DEQ has not made a decision on this yet. We will update this document when we have a clear position on this issue.

Will all California operating conditions for fuel pathways be applied to Oregon pathways, or are they separately evaluated by DEQ for use in the Clean Fuels Program?

For the most part, California operating conditions for fuel pathways do apply in Oregon. DEQ does review materials that go with the fuel pathways, and we do sometimes add operating conditions specific to Oregon.

Alternative formats

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