

Program Development to Reduce Greenhouse Gas Emissions: Key Terms

This glossary is intended to provide an accessible, high-level overview of common terms used in discussions with the Department of Environmental Quality about a program to reduce greenhouse gas emissions in Oregon. These informal definitions are meant to provide additional context for all parties interested in participating in DEQ's public process to develop the program. Official terminology specific to any program developed and adopted by the Environmental Quality Commission will be defined in Oregon Administrative Rules.

Greenhouse gases

Carbon dioxide equivalent (CO₂e): The unit used to measure and compare emissions from various greenhouse gases, based on their global warming potential.

Direct emissions: Greenhouse gases released from combustion or industrial processes at a site owned or operated by the entity.

Global warming: An increase in the average temperature of the earth's atmosphere that is associated with the release of greenhouse gases.

Global warming potential: The amount of heat a greenhouse gas will absorb over time, compared to carbon dioxide.

Greenhouse gas: A category of gases that trap heat in the earth's atmosphere, warming the planet and changing the global climate. This includes carbon dioxide, methane, nitrous oxide, and certain fluorinated gases.

Indirect emissions: Greenhouse gases released due to the activity of one entity, but that occur at sources owned or operated by another entity.

Sector: The parts of the economy where greenhouse gases may be associated. Common categories include transportation, electricity, industry, commercial, residential, agriculture, and land use and forestry.

Stationary sources: Facilities with air contamination source permits that emit greenhouse gases on-site, such as manufacturers, factories, or institutional facilities including universities and hospitals.

Transportation fuels: Gasoline, diesel, and other fuels that power on-road vehicles, aircraft, and watercraft to move goods and people.

Program design

Compliance instruments: The allowances or permits issued by DEQ that represent allowable greenhouse gas emissions. One compliance instrument may be equivalent to one metric ton of carbon dioxide equivalent of greenhouse gas emissions.

Alternative compliance options: Projects or actions that meet certain criteria and reduce emissions outside the scope of the program may be considered eligible to generate instruments to use toward compliance with the program. In general, these



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criteria ensure that these emissions reductions are real, additional, verifiable, enforceable, and permanent.

Banking: The ability for regulated entities to save any unused compliance instruments from one period to meet program requirements in a future compliance period.

Cap: The amount or limit of allowable emissions in a given compliance period. Caps may differ by sector or there may be one cap for all emissions and sources regulated by the program.

Compliance period: The timeframe during which an entity must track emissions and at the end of which, present compliance instruments in an amount that represents actual and allowable emissions that occurred within that timeframe.

Environmental justice or EJ: Equal protection from environmental and health hazards, and meaningful public participation in decisions that affect the environment in which people live, work, learn, practice spirituality and play. EJ communities include Black, indigenous and people of color, low-income communities, tribal communities, and other communities traditionally underrepresented in public process. Underrepresented communities may include those with significant populations of youth, the elderly, or those with physical or mental disabilities.

Impacted communities: Groups whose physical, mental, financial, and cultural wellbeing may be disproportionately impacted by the effects of climate change, such as displacement, adverse health effects, job loss and property damages. These groups may also be disproportionately affected by a program to reduce greenhouse gas emissions, depending on the program's design. Impacted communities may include the intersection of historically underrepresented communities, rural communities, urban communities, coastal communities, communities of color, low-income communities, and tribal and indigenous communities. Underrepresented communities may include those with significant populations of youth, the elderly, or those with physical or mental disabilities.

Intensity-based standard: A cap that is a ratio of emissions per activity, product, or unit of energy that can be thought of as a rate. This type of standard limits the amount of greenhouse gases produced by output, such as metric tons of emissions per quantity of goods or an amount of energy supplied.

Leakage: The shifting of greenhouse gas emissions outside of Oregon or outside the scope of the program's regulation. This may result in emissions in areas or sectors where there are no emissions regulations or there are less strict emissions regulations.

Mass-based standard: A cap that is an absolute quantity of allowable emissions. This type of standard limits the total amount of metric tons of emissions allowed.

Regulated entity: Any party that must comply with the cap and reduce program(s), depending on the determined program scope and threshold.

Threshold: The amount of total annual or average emissions, above which an entity is a regulated entity in the program(s) and below which an entity is not a regulated entity in the program(s). The threshold may be different for different sectors.

Trading: The ability for regulated entities to buy or sell compliance instruments through bilateral agreements, or terms agreed upon between the entities themselves.

Governance

Department of Environmental Quality: Regulatory agency protecting the quality of Oregon's environment. DEQ's mission is to be a leader in restoring, maintaining, and enhancing the quality of Oregon's air, land and water.

Environmental Quality Commission: A five-member panel appointed by the governor to serve as the DEQ's policy and rulemaking body. In addition to adopting rules, the commission also establishes policies, issues orders, judges appeals of fines or other DEQ actions, and appoints the DEQ director.

Rulemaking: Formal process through which DEQ develops and proposes new rules and rule changes to be considered and possibly adopted by the EQC. Rules adopted by the EQC into Oregon Administrative Rules must align with authorities granted to the EQC through the Oregon Legislature and as exist in Oregon Revised Statutes.

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 deginfo@deg.state.or.us.