

State of Oregon
Department of Environmental Quality

Memo

Date: July 18, 2025

To: Leah Feldon, Director

From: Office of Greenhouse Gas Programs

RE: Proposed order distributing 2025 compliance instruments to covered fuel suppliers under the Oregon Climate Protection Program, Oregon Administrative Rules, chapter 340, division 273

Purpose

For the purposes of completing the prescribed distribution of compliance instruments to covered fuel suppliers as set forth in OAR chapter 340, division 273, the Office of Greenhouse Gas Programs is requesting the Director approve an order specifying the number of 2025 compliance instruments to be received by each covered fuel supplier no later than July 30, 2025. This order includes the annual distribution of 2025 compliance instruments and the distribution of any additional 2025 compliance instruments.

Recommendation

The Office of Greenhouse Gas Programs recommends Director approval of the proposed order, attached to this report.

Background

The reasons are described in the findings in the order.

Attachments

A. Proposed Order

Order Distributing 2025 Compliance Instruments to Covered Fuel Suppliers
Under OAR 340-273-0420

BEFORE THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY

In the matter of distributing 2025 compliance instruments)
to covered fuel suppliers) FINDINGS and
as required by OAR 340-273-0420) ORDER

Findings

This order implements the responsibilities given to the Oregon Department of Environmental Quality (DEQ) by Oregon Administrative Rules chapter 340, division 273.

Rule 0420 of that division specifies the methodology by which DEQ shall distribute compliance instruments to covered fuel suppliers in the Oregon Climate Protection Program.

Per OAR 340-273-0420(2), DEQ will distribute the percentage of compliance instruments stated in Table 4 in OAR 340-273-9000 to each covered fuel supplier that is a local distribution company.

Per OAR 340-273-0420(3), DEQ will hold in reserve compliance instruments equal to the amount stated in Table 3 in OAR 340-273-9000. For 2025, DEQ will hold 800,000 compliance instruments in reserve.

Per OAR 340-273-0420(4), for the annual distribution of compliance instruments DEQ will distribute compliance instruments to covered fuel suppliers that are not local distribution companies based on the following formula:

Number of Compliance Instruments =

*Total compliance instruments to distribute * (Covered fuel supplier covered emissions + covered fuel supplier biofuel emissions) / Total emissions*

± Verified emissions data correction factor

– Compliance instrument holding limit reduction

Per OAR 340-273-0400 and OAR 340-273-0420(5), DEQ will generate and distribute 4,103,478 additional compliance instruments for 2025. DEQ will distribute additional compliance instruments for 2025 to covered fuel suppliers that are not local distribution companies based on the following formula:

Number of Additional Compliance Instruments =

*Total additional compliance instruments to distribute * (Sum of covered fuel supplier biofuel emissions / Total biofuel emissions)*

Emissions for the 2025 compliance distribution are calculated using data from the Greenhouse Gas Reporting Program, OAR chapter 340, division 215.

DEQ determined the total number of compliance instruments to distribute in 2025 as follows, as provided in OAR 340-273-0420:

	Compliance Instruments	Source
A. Cap for 2025	24,157,161	OAR 340-273-9000 Table 2
B. Reserve size for 2025	800,000	OAR 340-273-9000 Table 3
C. Local distribution companies 2025 compliance instrument distribution	5,978,896	OAR 340-273-0420(2) and OAR 340-273-9000 Table 4
D. Non-local distribution company annual 2025 compliance instrument distribution	17,378,265	OAR 340-273-0420(4) (A-B-C)
E. Additional compliance instruments for 2025	4,103,478	OAR 340-273-0420(5)
Total. Non-local distribution company compliance instruments to distribute	21,481,743	Total = D+E

Order

As provided in OAR 340-273-0420(2), DEQ has determined to distribute the following number of compliance instruments to the three covered fuel suppliers that are local distribution companies, as stated in Table 4 in OAR 340-273-9000:

Local distribution company	2025 compliance instruments
Avista Utilities	666,737
Cascade Natural Gas Corporation	543,536
Northwest Natural Gas Company	4,768,623
Total	5,978,896

As provided in OAR 340-273-0420(4) and OAR 340-273-0420(5), DEQ has determined to distribute the following number of compliance instruments to the following covered fuel suppliers that are not local distribution companies:

Covered Fuel Supplier	2025 compliance instruments	
	Annual 2025 Compliance Instruments	Additional 2025 Compliance Instruments
Apex Oil Company, Inc	-	892
Associated Petroleum Products Inc.	24,312	4,132
BB Energy USA LLC	85,973	13,568
BNSF Railway Company	16,628	-
BP Products North America, Inc.	2,655,211	790,898
Byrnes Oil Co	73,339	12,655
Campo & Poole Distributing, LLC	49,892	5,333
Carson Oil Co., Inc., dba Carson	98,221	49,922
Chevron Products Company	1,888,800	589,011
Coleman Oil Company	122,641	31,438
Conrad & Bischoff	742	141
ED Staub & Sons Petroleum, Inc.	126,372	7,728
Elbow River Marketing USA Ltd.	48,504	871
Equilon Enterprises LLC	1,595,810	266,072
GreenAmerica Biofuels LLC	116,552	173,521
Hattenhauer Distributing Co.	109,353	17,145
HF Sinclair Refining and Marketing LLC	1,514,475	236,073
Idemitsu Apollo Corporation	269,331	38,143
Jacksons Food Stores Inc.	71,581	12,393
Marathon Petroleum Company LP	2,904,545	545,472
McCall Oil and Chemical	162,222	29,414
Musket Corporation	97,317	8,246
P C Energy, LLC	48,485	2,275
PacWest Energy, LLC	-	-
Parkland (U.S.) Supply Corp.	22,422	17,889
Parkland USA Corporation	8,424	456
Petrogas, Inc	104,688	-
Phillips 66 Company	4,167,686	683,896
Pilot Travel Centers LLC	10,842	5,058
REG Marketing & Logistics Group, LLC	105,564	237,536
Shell Trading (US) Company	28,139	41,221
Southern Counties Oil Co., A California Limited Partnership	81	25
Space Age Fuel. Inc.	820,711	279,483
Tartan Oil LLC	29,385	2,556
World Fuel Services, Inc.	-	-
Total Liquid fuels and propane suppliers	17,378,248	4,103,463

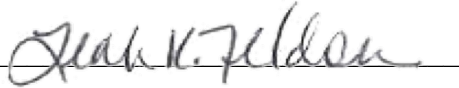
Attachment A

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As fractional compliance instruments cannot be distributed, the remaining 32 instruments will be placed in reserve for future years.

Dated: 07/18/2025

By: 

Leah Feldon

Director

Oregon Department of Environmental Quality