

State of Oregon  
Department of Environmental Quality

---

## **Memo**

**Date:** June 25, 2026

**To:** Leah Feldon, Director

**From:** Office of Greenhouse Gas Programs

**RE:** Proposed order distributing 2026 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 2026 compliance instruments to be received by each covered fuel supplier no later than June 30, 2026.

### **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 2026 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 2026 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 2026, the reserve currently contains 800,000 compliance instruments and DEQ will hold no additional 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*

Emissions for the 2026 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 2026 as follows, as provided in OAR 340-273-0420:

	<b>Compliance Instruments</b>	<b>Source</b>
<b>A.</b> Cap for 2026	23,280,253	OAR 340-273-9000 Table 2
<b>B.</b> Reserve size for 2026	800,000	OAR 340-273-9000 Table 3
<b>C.</b> Local distribution companies 2026 compliance instrument distribution	5,761,860	OAR 340-273-0420(2) and OAR 340-273-9000 Table 4
<b>D.</b> Non-local distribution company annual 2026 compliance instrument distribution	17,518,385	OAR 340-273-0420(4) (A-C)

### 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:

<b>Local distribution company</b>	<b>2026 compliance instruments</b>
Avista Utilities	642,534
Cascade Natural Gas Corporation	523,805
Northwest Natural Gas Company	4,595,521
<b>Total</b>	<b>5,761,860</b>

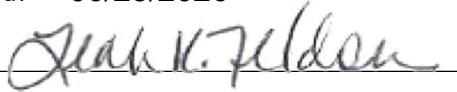
As provided in OAR 340-273-0420(4) and OAR 340-273-0420(5), DEQ has determined to distribute the following number of compliance instruments to the following covered fuel suppliers that are not local distribution companies:

<b>Covered Fuel Supplier</b>	<b>2026 compliance instruments</b>
Apex Oil Company, Inc	-
Associated Petroleum Products Inc.	226
BB Energy USA LLC	75,394
BNSF Railway Company	12,342
BP Products North America, Inc.	2,779,252
Byrnes Oil Co	87,982
Campo & Poole Distributing, LLC	64,206
Carson Oil Co., Inc., dba Carson	162,436
Chevron Products Company	1,799,140
City Service Valcon, LLC	2,681
Coleman Oil Company	102,492
Conrad & Bischoff	-
ED Staub & Sons Petroleum, Inc.	114,824
Elbow River Marketing USA Ltd.	-
Equilon Enterprises LLC	942,499
GreenAmerica Biofuels LLC	97,949
Hattenhauer Distributing Co.	83,582
HF Sinclair Refining and Marketing LLC	1,328,764
Idemitsu Apollo Corporation	349,276
Jacksons Food Stores Inc.	93,327
Marathon Petroleum Company LP	3,365,923
McCall Oil and Chemical	132,911
Musket Corporation	348,665
P C Energy, LLC	80,867
PacWest Energy, LLC	-
Parkland (U.S.) Supply Corp.	-
Parkland USA Corporation	5,249
Petrogas, Inc	70,975
Phillips 66 Company	4,357,597
Pilot Travel Centers LLC	-
REG Marketing & Logistics Group, LLC	12,565
Shell Trading (US) Company	11,914
Southern Counties Oil Co., A California Limited Partnership	-
Space Age Fuel. Inc.	995,420
Sunoco, LLC	11,701
Tartan Oil LLC	24,792
World Fuel Services, Inc.	3,434

<b>Total Liquid fuels and propane suppliers</b>	<b>17,518,385</b>
-------------------------------------------------	-------------------

As fractional compliance instruments cannot be distributed, the remaining 8 instruments will be placed in reserve for future years.

Dated: 06/25/2026

By: 

Leah Feldon

Director

Oregon Department of Environmental Quality