State of Oregon Department of Environmental Quality

Community Climate Investments Request for Information Responses

Request for Information **2**
Written responses **5**

DEQ received 7 written responses from the following organizations:

- Beyond Toxics
- Columbia-Willamette Clean Cities Coalition
- Geo's Institute
- Green Energy Institute
- OPIS
- Oregon Climate Trust
- Seeding Justice

DEQ received 4 verbal responses (not included in this packet) from the following organizations:

- Oregon Health Authority
- Seeding Justice
- Seeds for the Sol
- The Good Company

For any questions about this Request for Information process or feedback received, please contact Whitney Dorer, Climate Policy Community Engagement Coordinator at Whitney.Dorer@deq.oregon.gov.

State of Oregon Department of Environmental Quality

Community Climate Investments Entity Request for Information

Request for Information

This is a Request for Information, issued by the State of Oregon, Department of Environmental Quality to gather information about potential Community Climate Investment projects, tracking mechanisms, priorities, and partners. Responses can be from any individual, non-profit, company, partnership, or any other entity that is interested in providing information that will support the implementation of Community Climate Investments of Oregon's Climate Protection program.

Find more context on the Climate Protection Program and Community Climate Investments below these questions.

Please respond to the following questions to the extent that you can. Respondents do not have to respond to all questions. We are looking for responses from any individual or entity that helps us understand interest or expertise in developing greenhouse emission reduction and clean energy projects, program management skills, financial management, and community engagement. Verbal responses are also welcome.

1. What types of expertise would you suggest is appropriate for an organization and/ or staff and/or key partners to have in climate change, environmental justice, and reducing greenhouse gas emissions and/or co-pollutants when implementing Community Climate Investment projects?

2. What types of greenhouse gas emission reduction projects would you suggest being considered or prioritized for Community Climate Investments throughout Oregon? Please be as specific as possible.

3. Please provide a one-paragraph description of potential project ideas:

4. How would you suggest engagement happen with environmental justice communities in project development and implementation? Please specify as much detail as possible and which environmental justice communities you might be referring to.

5. How would you suggest an organizational structure provide oversight and administration of CCI funds that are directly sent from covered fuel suppliers?

6. CCI entities could potentially be receiving millions of dollars annually. What type of financial tools would you suggest are appropriate for financial oversight and auditing (securing, tracking, and reporting on funds)?

7. What additional systems would you suggest being needed for project implementation?

8. What partnerships such as subcontracting with other non-profit organizations, sovereign tribal nations, companies, etc., be considered?

9. What tracking and reporting systems would you suggest being used for greenhouse gas emission reductions?

10. Please provide any additional information you or your organization believes DEQ should know as part of the RFI process. You can also email any additional attachments with this form when you submit.

Please include the following details (if applicable) with your response.

Name of organization (or individual responding):

Contact name and title:

Website:

Phone number and email:

Background and primary objectives

The Climate Protection Program (OAR Chapter 340 Division 271) sets a declining limit, or cap, on greenhouse gas emissions from fossil fuels used throughout Oregon, including diesel, gasoline, natural gas and propane, used in transportation, residential, commercial and industrial settings. The program also regulates site-specific greenhouse gas emissions at manufacturing facilities, such as emissions from industrial processes, with a best available emissions reductions approach.

The CPP, which began in 2022, aims to:

- Reduce greenhouse gas emissions
- Achieve co-benefits from other air contaminant reductions and
- Enhance public welfare for Oregon communities, particularly environmental justice communities

Environmental justice communities are defined as communities of color, communities experiencing lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including seniors, youth, and persons with disabilities.

Covered fuel suppliers regulated by the CPP can meet a limited percentage of their compliance obligation (starting at 10%) by earning CCI credits. CCI credits cannot be traded. Companies can earn these credits by contributing funds to approved CCI Entities. CCI Entities then use these funds to invest in projects that reduce anthropogenic greenhouse gas emissions in Oregon's communities.

The purposes of CCIs are to:

- Provide covered entities with an optional means of meeting part of their compliance obligation for one or more compliance periods;
- Reduce anthropogenic greenhouse gas emissions in Oregon by an average of at least one MT CO2e per CCI credit distributed by DEQ;
- Reduce emissions of other air contaminants that are not greenhouse gases, particularly in or near environmental justice communities in Oregon;
- Promote public health, environmental, and economic benefits for environmental justice communities throughout Oregon
- Accelerate the transition from fossil fuels to zero or to other lower greenhouse gas emissions sources in or near environmental justice communities in Oregon

Once approved by DEQ, unless otherwise specified in the written agreement between a CCI Entity and DEQ, a CCI Entity must accept CCI funds from any covered fuel supplier that seeks to contribute CCI funds.

To be eligible for DEQ approval as a CCI entity, an entity must demonstrate that it:

- Is authorized to do business in Oregon, and that it is exempt from federal taxation according to Section 501(c)(3) of the U.S. Internal Revenue Code, 26 U.S.C. § 501(c)(3);

- Has the capacity to administer and spend CCI funds to carry out eligible projects as specified in OAR 340-271-0900(2);
- Has or will have staff capable of conducting work associated with being a CCI entity according to this division;
- Has or will have staff or subcontractors capable of implementing eligible projects throughout Oregon; and
- Is not a covered entity or a related entity of a covered entity.

While approved CCI Entities must be 501(c)(3) non-profits, subcontractors are not subject to this requirement and could include other non-profits, companies providing technical expertise, etc. This RFI welcomes information from all parties interested in sharing knowledge, experience, or ideas related to future Community Climate Investments.

Potential CCI entities will be asked to submit applications to DEQ in early 2023. If DEQ provides provisional approval, then the potential CCI Entity will enter into a written agreement (contract) with DEQ. Once the written agreement is complete, the CCI Entity will receive final approval from DEQ. Approved CCI entities would then be able to receive CCI funds from covered fuel suppliers. CCI Entities will also develop a workplan with DEQ. A CCI Entity must obtain DEQ approval of the work plan prior to committing or expending CCI funds. An Equity Advisory Committee will assist DEQ in reviewing applications, work plans, and the overall performance of CCI Entities. CCI Entities may use CCI funds for:

- Implementing eligible projects in Oregon, which are actions that reduce anthropogenic greenhouse gas emissions in Oregon.
- Eligible projects include, without limitation, actions that reduce emissions in Oregon resulting from:
    - Transportation of people, freight, or both;
    - An existing or new residential use or structure;
    - An existing or new industrial process or structure; and
    - An existing or new commercial use or structure.
- Costs of administering CCI funds and eligible projects; including reporting and capacity building costs.

Responses provided to this RFI will be used only for general information purposes and will not be considered binding on any party. This RFI will help identify potentially eligible CCI Entities. It will also help identify areas for clarification. Respondents can respond to any part of the RFI; respondents do not have to respond to all questions. Responses provided will not impact future RFP selection processes. The RFI submittal deadline is Monday, Jan. 16, 2022, and under no circumstances will the DEQ be responsible for any costs and expenses incurred in submitting a response.

Please submit your response by 5 p.m. (Pacific Time) on Wednesday, Jan. 25, 2023, by email to: whitney.dorer@deq.oregon.gov with "CCI Entity RFI" in the subject line.

If you would prefer to discuss these questions verbally, a meeting can be scheduled to collect responses or thoughts on these topics. To schedule a time for this option, please contact whitney.dorer@deq.oregon.gov prior to Jan. 9, 2023.

Questions can be sent to **whitney.dorer@deq.oregon.gov.**

Thank you,

Whitney Dorer
Climate Policy Community Engagement Coordinator
Office of Greenhouse Gas Programs
Oregon Department of Environmental Quality

Request for Information (Beyond Toxics)

The intent of this Request for Information (RFI), issued by the State of Oregon's Department of Environmental Quality, is to gather information about potential Community Climate Investment (CCI) projects, tracking mechanisms, priorities, and partners. Responses can be from any individual, non-profit, company, partnership, or any other entity that is interested in providing information that will support the CCI implementation of Oregon's Climate Protection program (CPP).

Please respond to the following questions to the extent that you can. We are looking for responses from any individual or entity that helps us understand interest or expertise in developing greenhouse emission reduction and clean energy projects, program management skills, financial management, and community engagement. Verbal responses are also welcome.

Responses provided to this RFI will be used only for general information purposes and will not be considered binding on any party. This RFI will help identify potentially eligible CCI Entities. It will also help identify areas for clarification. Respondents can respond to any part of the RFI; respondents do not have to respond to all questions. Responses provided will not impact future RFP selection processes.

1. What types of expertise would you suggest is appropriate for an organization and/ or staff and/or key partners to have in climate change, environmental justice, and reducing greenhouse gas emissions and/or co-pollutants when implementing CCI projects?
    - 1.1. History of transparency in public outreach around climate, environment and public health.
    - 1.2. Emphasizes community leadership.
    - 1.3. Working collectively to support and maintain ecological and community resilience.
    - 1.4. Understanding the effects of greenhouse gasses and co pollutants on environmental health and community wellbeing.
2. What types of greenhouse gas emission reduction projects would you suggest being considered or prioritized for CCI throughout Oregon? Please be as specific as possible.
    - 2.1. Natural climate solutions - which focus on decarbonization, carbon sequestration through changing management practices on forest, farmlands and open spaces
        - 2.1.1. Support and incentivize longer tree rotations in working forests
        - 2.1.2. Support and incentivize pesticide reduction to achieve soil health and clean water in agricultural practices
    - 2.2. Moving away from fossil fuels used in home appliances and heating/cooling by investing in renewable energy sources (electrification, i.e., heat pumps, electric ranges and water heaters). Support community solar projects.
    - 2.3. Reducing the dependence on fossil fuels in transportation by investing in public transportation and EV infrastructure.
    - 2.4. Support and implement better water management practices and sustainable water projects which offer multiple benefits, and protect water for future generations.
    - 2.5. Reduce waste and transition away from plastics while promoting reusables and recyclables. (where possible)
3. Please provide a one-paragraph description of potential project ideas:
    - 3.1. We hope to support EJ communities through building out EV infrastructure.
4. How would you suggest engagement happen with environmental justice communities in project development and implementation? Please specify as much detail as possible and list which environmental justice communities you might be referring to.

4.1. Focus on community-led processes when conducting workshops for inputs. This ensures that the voices of the environmental justice members are heard and their needs are acknowledged and addressed in project development and implementation.
    4.1.1. Communities living in the shadow of pollution.
    4.1.2. Rural communities who are left out in the planning process for clean renewable energy infrastructure.
4.2. Working with community based organizations who have developed strong and deep relations with Environmental justice communities.

5. How would you suggest an organizational structure provide oversight and administration of CCI funds that are directly sent from covered fuel suppliers?
    5.1. Having a local community member as part of the organizational structure where the projects will be developed/implemented. This would ensure the community members' needs are being met while being inclusive in the process of how the CCI funds will be used to make their community prosperous.
6. CCI entities could potentially be receiving millions of dollars annually. What type of financial tools would you suggest are appropriate for financial oversight and auditing (securing, tracking, and reporting on funds)?
    6.1. Providing resources to appoint a certified accountant for financial reporting and oversight.
    6.2. Designated and separate bank accounts for tracking funds that are received and distributed.
    6.3. Signed receipts/invoices for all transactions.
7. What additional systems would you suggest being needed for project implementation?
    7.1. Adequate staffing resources for project management.
    7.2. More resources for community outreach and engagement.
    7.3. DEQ should provide an organizational template and a detailed financial tracking document which CCI entities could follow.
8. What partnerships, such as subcontracting with other non-profit organizations, sovereign tribal nations, companies, etc., should be considered?
    8.1. If non profit organizations are collaborating for a particular project, making sure the goals of the nonprofit organization, sovereign tribal nations, and companies should align.
    8.2. If each partner has similar projects, try to collaborate with the partners to implement. While doing outreach more communities can be informed and more input can be generated.
    8.3. We should try to avoid working in Silos.
9. What tracking and reporting systems would you suggest being used for greenhouse gas emission reductions?
    9.1. CCI Funds should be distributed to CCI Entities by the CCI covered supplier (or the DEQ or governance organization) quarterly based on invoices submitted with appropriate documentation (receipts, invoices, payroll documentation, etc.)
10. Please provide any additional information you or your organization believes DEQ should know as part of the RFI process. You can also email any additional attachments with this form when you submit.

Please include the following details (if applicable) with your response.

Name of organization (or individual responding): Contact name and title: Beyond Toxics

Website: https://www.beyondtoxics.org/

Phone number and email: 541-543-2465/ larkin@beyondtoxics.org

Columbia-Willamette Clean Cities (CWCC) Response to ODEQ Community Climate Investment (CCI) projects, tracking mechanisms, priorities, and partners RFI

Please accept the below response to the ODEQ RFI on the behalf of Columbia-Willamette Clean Cities Coalition. Thank you for the opportunity to provide responses to this important initiative

1. **What types of expertise would you suggest is appropriate for an organization and/ or staff and/or key partners to have in climate change, environmental justice, and reducing greenhouse gas emissions and/or co-pollutants when implementing CCI projects?**
    - Project implementation and deployment experience
    - Project management experience, including managing large budgets, multiple subcontractors, multiple deliverables, identifying and curing issues
    - Past experience managing public contracts such as City or State awards. Experience managing Federal projects a major plus since these require extensive documentation, recordkeeping, and reporting to maintain compliance.
    - Experience in quantifying and reporting emissions reductions from proposed projects and comparing these reductions to actual emission reductions seen after the project is implemented and using verified reporting tools for these emission reduction quantifications.
2. **What types of greenhouse gas emission reduction projects would you suggest being considered or prioritized for CCI throughout Oregon? Please be as specific as possible.**
    - Transportation decarbonization-related projects since this sector is the largest source of greenhouse gas emissions in the State of Oregon and stands to provide notable public health benefits to disadvantaged communities from criteria pollutant emission reductions.
3. **Please provide a one-paragraph description of potential project ideas:**

CWCC is a membership-driven non-profit organization made up of public and private fleets deploying alternative fuel vehicles and projects. CWCC's work includes technical assistance around these nascent technologies, outreach and education efforts including hosting the Green Transportation Summit & Expo in Tacoma, Washington, securing funding to implement clean transportation projects and managing these projects to completion, and connecting fleets across our network to help reduce barriers in catalyzing alternative fuel adoption across Oregon and Washington. Some project concepts we propose are the following:

- Fleet electrification focusing on non-road vehicles and equipment not subject to HB2007 on-road regulations. Work with statewide fleets to scrap and replace eligible diesel non-road equipment with all-electric units by providing rebates for this activity, verifying vehicle

destruction, quantifying estimated vs. actual emission reductions, and navigating electric charging infrastructure installation with the end-user. Projects net measurable criteria air pollutant reductions and greenhouse gas emission reductions from zero-emission tailpipe operation. Such projects also align strongly with the State of Oregon's zero emission goals and requirements. CWCC is in the process of wrapping up three US EPA projects that worked with private goods movement fleets to scrap and replace diesel yard trucks with all-electric units, as well as one steel company to scrap and replace one diesel railcar mover with an all-electric unit.

- Similar to the above project but work with on-road fleets across the state to scrap and replace diesel Class-8 trucks, refuse trucks, school buses, and other on-road Medium- and Heavy-Duty vehicles with all-electric alternatives. Again, work with statewide fleets to scrap and replace eligible diesel non-road equipment with all-electric units by providing rebates for this activity, verifying vehicle destruction, quantifying estimated vs. actual emission reductions, and navigating electric charging infrastructure installation with the end-user. Projects net measurable criteria air pollutant reductions and greenhouse gas emission reductions from zero-emission tailpipe operation. Such projects also align strongly with the State of Oregon's zero emission goals and requirements. CWCC has secured ODEQ funding through the Oregon Diesel Emissions Mitigation Grants Program for nine on-road diesel replacement projects with Oregon-based fleets, including two municipal fleet, a private LTL shipping company, drayage fleets, interstate bus companies, a COBID-certified refuse haulers and a COBID-certified construction company. To-date, the Oregon Diesel Emissions Mitigation Grants Program has funded 20 total projects statewide. CWCC has strong connections in the fleet community with entities who are ready to adopt low-carbon transportation projects and helps these fleets navigate the program administrative processes and electric charger installation processes to ensure a successful project and long-term emission reductions. Here is an example of a project CWCC authored in California where nearly $2 million of grant funding and $2.4 million of recipient cost share for a total project cost of around $4.3 million when replacing 16 diesel yard trucks and 5 diesel intermodal box connector carts at distribution centers and port facilities, respectively, with all-electric units.

Replace 16 diesel-only yard hostlers with 16 all-electric yard hostlers Replace 5 diesel-only IBC carts with 5 all-electric IBC cars	Operation of zero-emission electric yard hostlers and IBC carts	Short-term: • Reduce 1.108 tons of PM2.5, 12.204 tons of NOx, 3.591 tons of CO, 937.9 tons of CO_2 emissions, and 83,368 gallons of diesel, annually. Long-term: • Reductions of 13.843 tons of PM2.5, 165.809 tons of NOx, 45.27 tons of CO, 13,204.20 tons of CO_2 emissions, and 1,173,703 gallons of diesel. • Decrease public health risk to residents in densely populated areas • Accelerate market acceptance and deployment of zero-emission cargo handling equipment (yard hostlers, IBC carts) Annual Health Benefits: • Reduce a total of 1.108 tons of PM2.5 annually and provide $150,000 in in annual health benefits San Joaquin County and $1,7900,000 in annual health benefits to counties within the SCAB

- Work with tugboat operators statewide to fund marine tugboat repowers with clean diesel engines but requiring procurement of lower-carbon renewable diesel with funded engine repowers. Repowers of older diesel marine engines in Oregon can net large fuel efficiency improvements, corresponding with substantial fuel savings. Repowered engine sets also reduce considerable amounts of criteria air pollutants when repowering to modern clean diesel

engines. When paired with lower-carbon renewable diesel, these projects net a 60-80% reduction in lifecycle greenhouse gas emissions. Old diesel engines would be retired (scrapped) by drilling a 3" by 3" hole in the engine block and funding a portion of the new engines. One Portland Harbor Tug project proposed recently would have produced the following emission reductions when repowering two 1989 marine engines (analysis performed using the US EPA's Diesel Emission Quantifier):

Annual Results (short tons)	**NOx**	**PM2.5**	**HC**	**CO**	**CO2**	**Fuel3**
Baseline for Upgraded Vehicles/Engines	98.049	1.441	0.983	18.194	1,620.00	144,000
Amount Reduced After Upgrades (annually)	90.695	1.29	0.757	12.153	1603.8	142,560
Percent Reduced After Upgrades	92.50%	89.50%	77.00%	66.80%	99.00%	99.00%

Lifetime Results (short tons)- project life of 60 years						
Baseline for Upgraded Vehicles/Engines	5,882.93	86.483	59.006	1091.6	97,200.00	8,640,000
Amount Reduced After Upgrades (lifetime, ~60 years)	5,441.71	77.402	45.435	729.2	96,228.00	8,553,600
Percent Reduced After Upgrades	92.50%	89.50%	77.00%	66.80%	99.00%	99.00%

- Fund Medium- and Heavy-Duty vehicle charging infrastructure installation statewide along freight and goods movement corridors.
- Fund zero-emission idle reduction projects at warehouses and distribution centers to reduce idling and harmful emissions of diesel refrigerated trailers used in foodservice and grocery distribution centers. CWCC is currently administering two Federal awards to reduce idling at grocery and foodservice fleet operations in Oregon and Arizona. Diesel refrigerated trailers typically operate older, smaller diesel generator sets that are not often subjected to stringent EPA emission requirements, therefore typically emitting large quantities of harmful criteria pollutants. These units are typically gathered around distribution centers and warehouses located near or directly adjacent to residential communities, thus directly exposing these populations to such harmful pollutants. To compound these issues, the industry standard practice is to idle refrigerated trailers when staged at dock doors for loading/unloading and in the fleet yards in order to maintain the temperatures required for perishable goods movement, resulting in very large quantities of emissions in close proximity to adjacent residential communities. Very few fleets have installed idle reduction shore power plugs or replaced diesel refrigerated trailers with units that can use this type of technology. This is a very cost-effective emission reduction activity requiring around $10,000 per shore power installation. Fleets have been motivated by receiving 30% of these costs as a reimbursement and often have 30+ installations required per facility, with many large fleets having 100-200+ installations. Here is an example of the emission reductions possible from a CWCC-funded Arizona project when installing 108 electrified parking spaces (EPS) in refrigerated trailers, replacing 8 diesel refrigerated trailers with all-electric units, and scrapping and replacing 1 yard truck with an all-electric unit. Grant funding involved was $1.38 million with $2 million in cost share for a total project cost of around $3.34 million.

Activities	Outputs	Short and long term outcomes
TRU electric infrastructure (Electrified Parking Spaces) Equipment Replacement - Replace Diesel Yard Truck Replace Diesel TRUs on trailers	Install electric infrastructure at the four proposed project sites to power grid-capable refrigerated trailers and TRUs and reduce diesel emissions Catalyze industry adoption of zero emission technologies and reduce additional diesel emissions	Short-term: • Reduce 14.219 tons of NOx, 1.099 tons of PM2.5, and 2,740.50 tons of CO_2 emissions, annually. Long-term: • Reduce 135.498 tons of NOx, 5.363 tons of PM2.5, and 29,731.50 tons of CO_2 emissions. • Decrease public health risk to residents in densely populated areas • Accelerate industry adoption of similar clean diesel emission reduction projects Annual Health Benefits: • Reduce a total of 1.099 tons of PM2.5 annually and provide $1,200,000 in annual health benefits exclusively to Maricopa County, Arizona.

- Fund zero-emission idle reduction shore power for oceangoing vessels at the Port of Portland cargo ships, Port of Astoria for cruise ships, and work closely with grain elevators statewide to encourage idle reduction for breakbulk ships visiting these terminals.

4. **How would you suggest engagement happen with environmental justice communities in project development and implementation? Please specify as much detail as possible and list which environmental justice communities you might be referring to.**

- Engagement should be intentional, meaning it should be implemented with care and with respect to cultural diversity.
- Approach with the understanding that these communities have experienced historical burdens that have systemically excluded them from environmental and health benefits in the past. Their story will be unique to their experience.
- Engagement should prioritize trust-building, listening, mutual understanding, and awareness of the many diverse cultural experiences that may exist within EJ communities.
- Identify and build relationships with key members of the community who are already doing important work within the community.
- Lead with education: EJ communities often have limited access to the resources needed to improve their quality of life. Be sure to approach engagement with these communities with curiosity for their prior experiences and a willingness to meet them where they are.
- Develop an engagement plan that outlines a process for outreach, including a communications plan and content that relates to each EJ community. Identify potential barriers and provide recommendations for overcoming them.
- Projects should prioritize how to incorporate EJ communities in their project design, including hosting outreach events around education, providing training and certification opportunities around technologies funded by the project, and other capacity-building activities.

5. **How would you suggest an organizational structure provide oversight and administration of CCI funds that are directly sent from covered fuel suppliers?**

    - One entity is designated as the Prime applicant and overall Project Manager/Principal Investigator and contracts with various project partners that are either Subawardees or Vendors. This primary entity ("Prime") will be tasked with fiduciary responsibilities and overall project management, including:

        1. Fiscal oversight, management, and distributions to project subrecipient/vendors (contractors)
        2. Managing project progress including deliverables and curing of barriers
        3. Reporting to DEQ on project progress, barriers, financial reporting, etc.
        4. Contracting and scope of work development with project subrecipients and/or vendors

    - Projects should have the flexibility to include multiple partners that have subject matter expertise in the proposed project's implementation or are the focus of the project (i.e., a fleet is receiving electric school buses and scrapping/replacing diesel school buses).

6. **CCI entities could potentially be receiving millions of dollars annually. What type of financial tools would you suggest are appropriate for financial oversight and auditing (securing, tracking, and reporting on funds)?**

    - CCI Entities should adhere to Generally Accepted Accounting Principles (GAAP) and be prepared to undergo regular audits to ensure proper management of CCI funds from Covered Fuel Suppliers. Audits should be required of CCI Entities at least bi-annually but no more frequently than once annually to help minimize administrative burdens on CCI Entities.

    - Funds received from Covered Fuel Suppliers should be housed in a separate bank account established by the CCI Entity to eliminate intermingling of funds between these CCI funds and the CCI Entity's existing organization funds.

    - DEQ should require CCI Entities to submit financial reports quarterly, if not more frequently. DEQ should consider following the financial reporting model required by US DOE and US EPA for grants administered by these Federal entities. Typical reporting tools include the following SF-270 required for each invoice submitted to US DOE for reimbursement, or the following example of a US EPA quarterly report template required each quarter. It should be noted that CWCC manages funds from both Federal entities in different funding structures, where the US DOE holds the awarded grant funds for periodic distribution to CWCC (or Prime applicants) when invoices are submitted, reviewed, or approved, while the US EPA on the other hand provides a subaward to CWCC (or Prime applicants) where awarded funds are housed in a separate bank account by CWCC, with full visibility by US EPA and quarterly reports provided whenever funds are used oby CWCC for project activities including CWCC's administration of the award or distribution to a sub-recipient.

    - We suggest DEQ look at their Federal counterparts' financial reporting processes and mechanisms as this is a model that could be replicated with some modifications. It should be noted that Federal award reporting is extremely onerous where not every

project exactly fits the reporting model and DEQ should consider modifying any resources/processes to be more tailored to CCI program functions and projects.

Name:
COLUMBIA-WILLAMETTE CLEAN CITIES COALITION, INC.
Number and Street:
[redacted]
City, State and ZIP Code:
[redacted]

Name:
Number and Street:
City, State and ZIP Code:

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES ►	(a)	(b)	(c)	TOTAL
a. Total program outlays to date (As of date) 10/31/2022	$ 294,748.90	$ 0.00	$ 0.00	$ 294,748.90
b. *Less*: Cumulative program income	0.00	0.00	0.00	0.00
c. Net program outlays *(Line a minus line b)*	294,748.90	0.00	0.00	294,748.90
d. Estimated net cash outlays for advance period	0.00	0.00	0.00	0.00
e. Total *(Sum of lines c & d)*	294,748.90	0.00	0.00	294,748.90
f. Non-Federal share of amount on line e	113,526.43	0.00	0.00	113,526.43
g. Federal share of amount on line e	181,222.47	0.00	0.00	181,222.47
h. Federal payments previously requested	137,174.95	0.00	0.00	137,174.95
i. Federal share now requested *(Line g minus line h)*	44,047.52	0.00	0.00	44,047.52
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances — 1st month				Dollars
2nd month				
3rd month				

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by the advance	$ 0.00
b. *Less*: Estimated balance of Federal cash on hand as of beginning of advance period	0.00
c. Amount requested *(Line a minus line b)*	$ 0.00

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EPA United States Environmental Protection Agency — Quarterly Report - DERA National Project Narrative — National Clean Diesel Campaign March 2014

U. S. Environmental Protection Agency
National Clean Diesel Funding Assistance Project Report

Grant Recipient	Columbia-Willamette Clean Cities Coalition
Grant #	[redacted]
Reporting Period	July - September 2022

Table I. Rate of Expenditure. Record all funds expended for each budget category.

	Federal Funds Expended this Reporting Period	Cost-Share Expended this Reporting Period	Additional Leveraged Funds Expended this Reporting Period	Cumulative Federal Funds Expended	Cumulative Cost-Share Expended	Cumulative Additional Leveraged Funds Expended
Personnel						
Fringe Benefits						
Travel						
Equipment						
Supplies						
Contractual						
Other						
Indirect Charges						
TOTALS						

7. **What additional systems would you suggest being needed for project implementation?**
   - DEQ could require visibility of the separate bank accounts proposed above to be established by CCI Entities and used to house/manage CCI funds.
8. **What partnerships, such as subcontracting with other non-profit organizations, sovereign tribal nations, companies, etc., should be considered?**
   - Similar to our response to Question #5, CCI Entities should be able to sub-award funds to eligible entities to provide goods/services required to complete the project. These sub-recipients may be any type of organization, including regulated parties.
9. **What tracking and reporting systems would you suggest being used for greenhouse gas emission reductions?**
   - We would suggest two separate frameworks based upon the project activity type: Stationary Source or Mobile Source.
     1. For Stationary Source emission reduction projects (projects related to buildings, power production, etc.), we would suggest relying upon a well-established greenhouse gas tracking and reporting system that aligns with systems in place for the California Cap & Trade program or Washington State Cap-and-Invest Program.
     2. For Mobile Source emission reduction projects, we would suggest relying upon the Oregon DEQ's Clean Fuels Program methodology to quantify and track greenhouse gas emission reduction reductions, or the U.S. EPA's Diesel Emission Quanitifer to quantify and track criteria air pollutant emission reductions. It is important to denote the difference between these two emission types and reduction activities since one primarily provides climate benefits (GHG emission reductions) and uses a well-established methodology in the ODEQ CFP, while the other primarily provides air-quality benefits for disadvantaged community

benefits (critiera air pollutants, including but not limited to NOx, PM2.5, Hydrocarbons, Volatile Organic Compounds (VOCs), Carbon Monoxide (CO)) from transportation/mobile source emission reduction projects.

10. **Please provide any additional information you or your organization believes DEQ should know as part of the RFI process. You can also email any additional attachments with this form when you submit.**

The Columbia-Willamette Clean Cities Coalition is part of a network of more than 90 communities within the US Department of Energy's Clean Cities Program; a public-private partnership started in 1993 to foster local partnerships in communities nationwide to catalyze alternative fuel adoption. For over two decades, our Coalition has provided education, technical assistance, peer-to-peer information sharing across our robust network, and funding assistance to help members like Sound Transit invest in cleaner fuels such as biodiesel, renewable diesel, and renewable natural gas, electric vehicles, and others. These actions not only support our regional economy and protect our environment, but can green a fleet's bottom line.

CWCC has a long history of supporting complex projects and efforts of our federal and local partners over the past 28 years. This work includes managing complex projects funded by Local, State, and Federal agencies which require traditional project management experience and several decades of experience coordinating and communicating with these agencies for project reporting, financial oversight, and overall project progress.

CWCC's project team brings years of experience managing publicly-funded projects of significantly large size, intricacy, and scale. These projects include the following which are highlights of our growing portfolio of contracted work totaling over $12 million in Federal funds alone. Examples of current projects under management include the following:

Federal Projects Currently Under Management	
Federal Agreement	**Project Overview**
U.S. Department of Energy *Vehicle Technologies Office Award, National Energy Technology Laboratory* DE-EE0009866 US DOE Contact: Brett Aristegui	**Equitable Mobility Powering Opportunities for Workplace Electrification Readiness: EMPOWER** A The first and only equity-focused, nationwide workplace charging program in the United States aiming to catalyze workplace charging adoption through outreach, workplace charger install commitments, and actual installations. The project represents the largest teaming of Clean Cities coalitions in U.S. Department of Energy Vehicle Technology Office history, with 32 coalitions under contract with Prime Columbia-Willamette Clean Cities Coalition. Total budget under management by the CWCC and WWCC team is $3,970,539 in Federal funding and $1,047,602 in Cost Share, representing total project costs of $5,018.141 that CWCC is managing.
U.S. Environmental Protection Agency *Clean Diesel Funding Assistance Program FY2021* DE-98T22301 EPA Contact: Asia Yeary	**Southwest Electric Refrigerated Transport (SWERT)** The agreement ($1.38 million) to replace a total of 7 diesel refrigerated trailers with all-electric trailers, replace 1 diesel yard truck with one all-electric yard truck, and install a total of 108 electrified parking spaces to reduce diesel refrigerated trailer idling with electric standby shore power in Maricopa County, Arizona.

U.S. Environmental Protection Agency *Clean Diesel Funding Assistance Program FY2019* DE-01-J67001 <u>EPA Contact:</u> Lucita Valiere	**Electrification of Transport Refrigeration in the Pacific Northwest** The agreement ($1.11 million) to (1) replace a total of 4 diesel-only refrigerated with zero-emission all-electric refrigerated trailers with solar panels, and (2) install 30 electrified parking spaces to support existing and planned refrigerated trailer TRUs capable of plugging into grid-supplied electricity when parked.
U.S. Environmental Protection Agency *Clean Diesel Funding Assistance Program FY2018* DE-01-24701 <u>EPA Contact:</u> Lucita Valiere	**Cleaner Air Portland Project** The agreement ($2.18 million) is to (1) Install verified exhaust controls on 4 heavy-duty nonroad forklifts used in goods movement at the Vigor Industrial site to and from port facilities, warehouses and other onsite industrial uses. (2) Replace 12 refrigerated trailers with electrified refrigerated trailers used in local/regional goods movement from distribution centers, to destinations at customer distribution centers and direct store delivery points such as grocery stores, restaurants, institutional cafeterias, and other places where people purchase food.
US DOE Clean Cities Coalition Cooperative Agreements FY1993 – FY2022 CWCC: DE-EE0009563; WWCC: DE-EE0009562; (current FY award numbers) <u>US DOE Contact:</u> Daniel Nardozzi	**1994-2022 US DOE Clean Cities Program Annual Cooperative Agreements – CWCC, WWCC** The agreement (currently valued at $107,500 in Federal funding) is to perform routine US DOE-prescribed research and data collection tasks, including but not limited to regional alternative fuel usage, pricing, and station status reporting, in addition to targeted education, outreach, technical assistance, and related subtasks. The progress of this agreement was reported in quarterly reports, including progress toward achieving the expected outcomes and outputs, and discussions of any issues and challenges that may impact the projected outputs and outcomes. A final technical report was submitted at the end of each program fiscal year with a new contract signed annually. CWCC and WWCC combined have executed a total of 52 US DOE cooperative agreements to-date.

GREEN ENERGY INSTITUTE
Lewis & Clark Law School

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January 25, 2023

Whitney Dorer
Climate Policy Community Engagement Coordinator
Office of Greenhouse Gas Programs
Oregon Department of Environmental Quality
Via email to whitney.dorer@deq.oregon.gov

Re: Response to Community Climate Investments Request for Information

Dear Ms. Dorer:

The Green Energy Institute at Lewis & Clark Law School is a nonprofit energy and climate law and policy institute within Lewis & Clark's top-ranked environmental, natural resources, and energy law program. We appreciated the opportunity to participate in the Rulemaking Advisory Committee (RAC) for the Department of Environmental Quality's (DEQ) Climate Protection Program (CPP). As a proponent of the Community Climate Investment (CCI) mechanism, we are pleased to provide feedback on the questions posed by DEQ about CCI expertise, projects, best practices for engagement, and project implementation.

We provided extensive input on the proposed CPP rules through our participation on the RAC and in written comments submitted throughout the rulemaking process. Recognizing that in-depth discussions about CCIs took place nearly two years ago, we revisit some of our previous recommendations in these comments to highlight considerations most useful to DEQ at this stage of CPP implementation.[1]

1. **What types of expertise would you suggest is appropriate for an organization and/ or staff and/or key partners to have in climate change, environmental justice, and reducing greenhouse gas emissions and/or co-pollutants when implementing CCI projects?**

Ideal CCI entities will have demonstrated connections and commitments to protecting and supporting Oregon communities, and will exhibit clear alignment with the CPP's purpose.

The application requirements in section 340-271-0910(2) cover important basic considerations, without overwhelming applicants. Additionally, DEQ and the Equity Advisory Committee

[1] The Green Energy Institute's comments are available on our website. Green Energy Institute, *GEI's Policy Recommendations: DEQ's Climate Protection Program,* https://law.lclark.edu/centers/green_energy_institute/projects/.

should consider whether a non-governmental organization is an appropriate CCI candidate as informed by the answers to some of the questions below. Specifically: demonstrated ability to use a variety of methods to connect with different communities; knowledgeable about available funding sources, or the ability to find and connect applicants to explanatory resources; transparent and forthcoming about decision-making processes and outcomes; inventive in using existing processes and systems to increase community and stakeholder engagement, while leveraging federal, state, and private funding.

2. **What types of greenhouse gas emission reduction projects would you suggest being considered or prioritized for CCI throughout Oregon? Please be as specific as possible.**

We strongly agree with the CPP's prioritization of CCI projects that achieve significant GHG emissions reductions, reduce co-pollutant emissions, and benefit environmental justice communities.[2] The science is clear that massive reductions in fossil fuel emissions are necessary to prevent catastrophic climate change, and the CCI program provides a mechanism for reducing anthropogenic emissions while also supporting a just and equitable energy transition in Oregon.

As an initial matter, DEQ, the Equity Advisory Committee, and any CCI entity, as a baseline, should consider only projects that achieve real, verifiable, additional, and permanent reductions in anthropogenic GHG emissions. Of those that conform to this baseline criteria, projects that meet multiple priorities should be at the top of the list. For example, projects that reduce human exposure to harmful air pollution by eliminating emissions of co-contaminants in addition to GHGs should be prioritized. Projects that reduce or eliminate emissions of air contaminants in local communities will likely produce greater public health benefits than projects that reduce co-pollutant emissions in unpopulated areas. Accordingly, it may be necessary to use alternative criteria for allocating funds that will support successful implementation of CCI projects in differently situated communities. For example, projects that provide climate resiliency to communities, or that reduce energy and transportation burdens, may be important considerations in other communities. In short, projects that implement several of the listed regulatory purposes of the CCI program should be considered first.[3] Multi-year funding agreements will likely be necessary to ensure completion of projects that produce GHG emission reductions.

We think it is helpful to discuss not only the kinds of projects we would like CCI entities to fund, but also projects that we believe would be inappropriate for these funds. DEQ, the Equity Advisory Committee, and CCI entities should be skeptical of projects that rely on risky, unrealistic, and expensive technologies rather than decades-old, proven technologies that result in actual, verifiable emissions reductions and public health benefits. Proposed projects that perpetuate continued extractive and polluting fossil fuel industries, even though technically aimed at reducing GHG emissions, should not be eligible for funding.[4]

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[2] OAR 340-271-0900(1); OAR 340-271-0920(1)(c)(D).

[3] OAR 340-271-0900(1) (reduce GHG emissions; reduce other air contaminants; provide public health, environmental and economic benefits to EJ communities; accelerate the transition away from fossil fuels in EJ communities).

[4] Zach Bright, *California Speeds Up Strategy to Reduce Climate Emissions(1)*, Bloomberg Law (Dec. 15, 2022), https://news.bloomberglaw.com/environment-and-energy/california-set-to-advance-accelerated-five-year-climate-strategy (discussing concerns about funding and reliance on unproven carbon capture technologies).

3. **Please provide a one-paragraph description of potential project ideas.**

We look forward to reviewing the creative and thoughtful proposals that will help Oregon's communities meet the challenge ahead.

4. **How would you suggest engagement happen with environmental justice communities in project development and implementation? Please specify as much detail as possible and list which environmental justice communities you might be referring to.**

As we noted in our comments of March 31, 2021, community outreach and engagement are critical elements of the California Climate Investments program, and we encourage DEQ to consider incorporating principles from California's program.[5] In California's program, administrating agencies designate a community liaison to engage with communities and identify needs.[6] Liaisons provide technical support and assist with application processes, as well as advise on how to leverage additional funding from other sources.[7]

To promote engagement by a broad variety of community members, the California program directs administering agencies to conduct a variety of outreach efforts, such as hosting regular workgroups with community organizations, as well as public workshops and community meetings that are widely publicized at local schools, libraries, community centers, medical clinics, bus stops and grocery stores.[8] Agencies must also provide regular updates via list serves, phone calls, videos, social media, radio, television and newspapers, and maintain connections with leaders in the community outside of formal processes.[9] In addition, every administering agency must maintain a website that provides information on funding opportunities, public outreach events, all submitted applications, final project selections, points of contact and resources for information and technical assistance, project outcomes, and opportunities for continued public engagement.[10] To make information accessible to a wide public audience, agencies are encouraged to coordinate with community groups to convey information at existing community meetings, host events at public locations such as schools and community centers that are accessible by public transportation, host meetings during convenient times, such as evenings and weekends, and invite diverse groups of stakeholders to participate in public events. Roundtable discussions, with limited involvement from state and local officials, are also encouraged.[11] In addition to engaging directly in public outreach, administering agencies are

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[5] *GEI Comments on Climate Protection Program Rulemaking Advisory Committee Meeting No. 3 on Community Climate Investments* (Mar. 31, 2021), https://law.lclark.edu/live/files/31758-gei-comments-cpp-rac-3-community-climate.

[6] Cal. Air Resources Bd., *Funding Guidelines for Agencies that Administer California Climate Investments* 7 (2018), https://ww2.arb.ca.gov/sites/default/files/classic//cc/capandtrade/auctionproceeds/2018-funding-guidelines.pdf?_ga=2.259552259.809046808.1617037184-218237969.1610481227

[7] *Id.*

[8] *Id.* at 26-27.

[9] *Id.* at 7.

[10] *Id.* at 23-25.

[11] Aimee Barns, et al., Center for American Progress, *Learning from California's Ambitious Climate Policy* at 12 (Apr. 2021), https://www.americanprogress.org/wp-content/uploads/2021/04/CAclimatePolicy-report-final.pdf.

directed to encourage funding applicants and recipients to engage with the community as much as feasible.

California's processes can inform the main principles DEQ, the Equity Advisory Committee, and a CCI entity should consider in designing outreach efforts. Namely, outreach should (1) help communities learn about funding opportunities, (2) give capacity and technical guidance to applicants, and (3) help the CCI entity track how the funds are used. Resources devoted to outreach will be well spent because those connections will help communities build trust in the CCI program and investments. Finally, consider leveraging high school and college students to share information about the program, both as a means of assuring youth that government is taking action but also as a method of reaching new audiences. Most importantly, ensure state agencies are aware of the CCI mechanism, and provide information about it on websites, especially where funds may be stacked.

5. **How would you suggest an organizational structure provide oversight and administration of CCI funds that are directly sent from covered fuel suppliers?**

In evaluating the CCI mechanism during the RAC process, we expressed concern about the possibility of undue influence or control covered fuel suppliers might attempt to exert over CCI entities. We want to ensure that fuel suppliers do not steer CCI funds to projects that benefit their business or reduce competition in the market. Accordingly, a prospective CCI entity should not employ anyone with a financial interest in a covered entity, engage such an individual as a representative, agent, board member, or voting shareholder, or accept other financial contributions from a covered fuel supplier.

Transparency and accountability will ensure that the CCI entity is exercising autonomy in making decisions, and oversight by DEQ and the Equity Advisory Committee will assist in this effort.

Finally, we want to recognize it will take time for communities to see benefits that come from projects, and that a perceived slow rollout may be misunderstood as a failure of the CCI mechanism. To the contrary, engagement with communities takes time, but that time will pay dividends in the long-term with successful implementation of CCI projects.

We offer no comment on number 6 or 7.

8. **What partnerships, such as subcontracting with other non-profit organizations, sovereign tribal nations, companies, etc., should be considered?**

Our answer to this question is similar to our answer to question 5.

We offer no comment on number 9.

10. **Please provide any additional information you or your organization believes DEQ should know as part of the RFI process.**

We share two final thoughts. First, the influx of federal and state funding offers exciting opportunities to achieve significant emission reductions in Oregon, but it comes with a compelling need to maximize the benefits of those policies. Accordingly, we urge DEQ, the Equity Advisory Committee, and any CCI entities to remain engaged with state agencies and utilities, to coordinate projects and priorities, and align funding to meet shared priorities. Second, DEQ, the Equity Advisory Committee, and CCI entities should grapple with any potential gaps in funding or capacity early in this process, particularly where deferred maintenance or structural upgrades are necessary to make way for smart building electrification improvements, or where administrative capacity is lacking to manage an investment requiring continued oversight.

We appreciate your consideration of our comments and recommendations.

Sincerely,

Carra Sahler
Interim Director and Staff Attorney
Green Energy Institute at Lewis & Clark Law School

Community Climate Investments Entity Request for Information
Geos Institute Comments
Submitted January 23, 2023

Contact:
Tonya Graham, Executive Director
www.GeosInstitute.org
541.482.4459 X301
Tonya@GeosInstitute.org

1. **What types of expertise would you suggest is appropriate for an organization and/ or staff and/or key partners to have in climate change, environmental justice, and reducing greenhouse gas emissions and/or co-pollutants when implementing CCI projects?**

While it is helpful for organizations to have expertise in climate change and reducing greenhouse gas emissions, what is even more important is that the organization is trusted within environment justice communities in the regions where they are supporting projects. One of the greatest obstacles to progress in bringing resources and technical support to these communities is a lack of existing relationships and trust with service delivery organizations. Environmental justice communities often have good reason not to trust government and formal programs that come from it, so the relationships piece is the critical piece. It is better if the organization has those strong relationships and subs out for the technical climate change element if they do not possess both. Regardless of how the process moves forward, selected entities must have relationships and expertise in reaching out to environmental justice communities, whether that is through the lead organization or subs. The same is true regarding technical expertise in reducing greenhouse gas emissions. In a perfect world, these organizations would also understand climate resilience as projects that address both greenhouse gas emissions and increasing resilience are even more effective.

2. **What types of greenhouse gas emission reduction projects would you suggest being considered or prioritized for CCI throughout Oregon? Please be as specific as possible.**

Given the wide range of ecosystems and economic drivers across the state, this section should be kept very flexible. We have one global carbon budget, so what matters is that a project is a good investment in reducing greenhouse gas emissions, both in terms of the amount of emissions reduced and the cost of implementing the project. By keeping it flexible, the program will be able to encourage innovate and integrate new technological advancements as they are made going forward. Within this range, however, projects should be prioritized to the extent they can show other benefits in the community, such as increased resilience of essential services, businesses, and families; new family-wage jobs; and new businesses startups or expansions.

3. **Please provide a one-paragraph description of potential project ideas:**

Ideally, projects will address multiple goals in terms of climate, equity, and living wage job creation. One such example is supporting small businesses (particularly women and minority owned) in developing weatherization services that focus on homes for renters and low-income homeowners – and providing funding to subsidize those efforts. These programs would include some guarantee of ongoing affordability from landlords. Other ideas include: community solar projects; renewable resilient electricity programs for essential municipal services (such as water, wastewater, fire, police, electric, emergency services, etc.); electric car and bicycle rebate programs for low-income Oregonians, and supporting changing agricultural practices for farmers and timberland owners. There are many others, but essentially, these projects should be aiming toward specific goals, but not restricted in the pathways available to meet those goals.

4. **How would you suggest engagement happen with environmental justice communities in project development and implementation? Please specify as much detail as possible and list which environmental justice communities you might be referring to.**

This program is an excellent way to build capacity within these communities and the organizations that serve them. Engagement should happen by organizations that are already embedded in these communities. The application process to be selected as a receiving entity for these funds should make it clear that successful applicants will show how they are already connected to the communities they intend to serve in the region they intend to cover. They should be required to speak to the geographic region inside the state that they plan to serve and share evidence of those relationships through

letters or statements of support. Because those relationships may not yet exist between organizations with technical expertise and those with community connections, the lead time for proposals should allow for the development of those partnerships. We suggest a three-month timeframe between announcing the program and expectations of the organizations or teams applying to be receiving organizations and the application deadline. In terms of specific communities, this program should be looking particularly at serving Tribal communities, rural communities with depressed economies, and low-income areas of larger cities. It may be useful to consult the Climate and Economic Justice Screening Tool to identify areas in need of focus in this program. The tool is here: **https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5** Information about the tool is here: **https://www.whitehouse.gov/ceq/news-updates/2022/11/22/biden-harris-administration-launches-version-1-0-of-climate-and-economic-justice-screening-tool-key-step-in-implementing-president-bidens-justice40-initiative/**

5. **How would you suggest an organizational structure provide oversight and administration of CCI funds that are directly sent from covered fuel suppliers?**

The process needs to ensure that the state is made aware by the fuel suppliers of their contributions. This is likely already underway given that fuel suppliers will use this program to meet their regulatory requirements. However, it will be critical that they show the state which entity they made the contribution to, how much it was, and the date. Then, the State will have the CCI receiving entity account for how the funding was spent on an annual basis. This is easy to do in nonprofit accounting, but the State should plan to keep this accounting process as simple as possible while maintaining accountability so that the lead organizations can focus on project delivery. It will require putting some effort into training, particularly if the program selects (as it should) organizations from under-resourced communities that may not have the administration capacity of larger organizations.

6. **CCI entities could potentially be receiving millions of dollars annually. What type of financial tools would you suggest are appropriate for financial oversight and auditing (securing, tracking, and reporting on funds)?**

Annual external audits should be required over a certain thresholds and funds must be able to be spent on the administration side, including for the annual audit. Too often, programs require specific, detailed accounting but limit funding to cover only direct expenses. The funding model to the receiving organizations must include adequate funding to meet the administrative and fund management requirements of the

program. It also needs to include training as mentioned above. For this program to be successful, it will need to build capacity in existing, and potentially new, organizations and collaborations. That element is in the RFI, which is encouraging, but it needs to be properly resourced with an understanding that younger organizations and those that serve under-resourced communities often struggle to have the administrative systems in place necessary for government funding. That should not be a criteria for excluding them from participation. Rather, it should be expected that some receiving entities are going to need more help meeting the accountability requirements than others and the program needs to provide that assistance.

7. **What additional systems would you suggest being needed for project implementation?**

The selected receiving entities should be networked in some fashion – possibly through a cohort supported financially by the program. All of the entities will be lifting their programs simultaneously and learning from that lift. By creating a collaborative network, the State will reduce the likelihood of competition between the entities, and increase the sharing of knowledge, expertise, and problem solving. These entities will be breaking new ground and learning rapidly. Systems need to be in place that ensure that that learning is taken up rapidly across the state, both in terms of innovative best practices and pitfalls to avoid. It does not need to be a significant investment – a two hour call once a month could be enough – but this networking structure is important.

8. **What partnerships, such as subcontracting with other non-profit organizations, sovereign tribal nations, companies, etc., should be considered?**

All partnerships should be considered, and innovative partnerships given preference in the selection process. In new endeavors like this, some of the best innovations will come from organizations coming together to partner that have very different perspectives. Unnecessarily limiting partnership types will only hinder innovation and limit the potential of this program.

9. **What tracking and reporting systems would you suggest being used for greenhouse gas emission reductions?**

No comment. This is not Geos Institute's area of expertise.

10. **Please provide any additional information you or your organization believes DEQ should know as part of the RFI process.**

We suggest the following:

- DEQ makes it possible for other organizations to apply and enter the program at a later time. It is likely that there will be a lot of interest in certain parts of the state and not much in others initially.

- An organization's ability to continue to be a receiving entity should depend on their performance. We suggest an initial 5-year contract with clear expectations and progress check ins annually. That way, if a receiving entity is not performing well, they can be replaced at the end of their contract. Again, though, some allowances will need to be made for organizations that start with less capacity than others.

- DEQ puts measures in place in the application and accountability processes to ensure that the entire state is covered and projects are actively being sought in rural eastern, southern, and coastal Oregon by organizations in those areas. It may take a while to get there, but geographic distribution of the receiving entities should be a significant consideration in the selection process. This distribution, especially if receiving organizations are networked, will also help Oregon bridge the urban/rural divide that is so destructive to our state politics.

- DEQ ensures that statewide organizations are able to be receiving entities, but those entities may be assigned specific geographical service regions to balance out the geographical reach of the other receiving organizations.

- DEQ focuses first on selecting good, hardworking people who care deeply about this work in environmental justice communities and have existing relationships in those communities that can be leveraged in the creation of this program. DEQ should then provide the resources they need to build the capacity necessary to be successful. Such an investment will reap dividends on multiple fronts well into the future.

Tanya Lee tlee@opisnet.com on 1/23/23

Good afternoon, Whitney –

I work for OPIS, a Price Reporting Agency (PRA) that sets benchmark prices for wholesale fuels and also assesses the compliance costs of carbon related programs. https://www.opisnet.com/resources/cap-and-trade/ https://blog.opisnet.com/cap-and-trade-at-the-rack. I wanted to answer one of the questions on your RFI and give you something to consider (if you haven't already considered it). I believe your colleague, Bill Peters is familiar with OPIS, therefore I have copied him as well.

1. 1. What types of expertise would you suggest is appropriate for an organization and/ or staff and/or key partners to have in climate change, environmental justice, and reducing greenhouse gas emissions and/or co-pollutants when implementing CCI projects?
    a. Fuel Contract compliance will be impacted by this program.
    b. Many municipal entities build fuel buying contracts that reference a "benchmark" price posted by OPIS (or other PRAs).
    c. When compliance takes place, some suppliers pass along the costs as a line item on their invoices, while other suppliers embed the additional costs in their posted, rack (wholesale) prices.
        i. This leaves the benchmarks in an "apples and oranges" state and makes it appear that some suppliers are charging much less than others, only to later have costs added as a line item on invoices from the suppliers who don't embed the costs of compliance into the prices.
    d. The company I work for then sets forth to "normalizes" these benchmark/fuel prices. This **normalization can be very disruptive to the fuel suppliers and buyers when reconciling their contracts**.
    e. If all suppliers were **mandated to <u>pass along the compliance costs in the same manner</u>, the disruption would be eliminated**.

Thank you for reviewing this, please let me know if you have any questions or would like to discuss this further. I've attached an OPIS Carbon Markets report for your review.

Tanya Lee
DIRECTOR, OPIS RACK PRODUCT MANAGEMENT

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A DOW JONES COMPANY

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Information Response to Oregon DEQ Community Climate Investments Entity RFI

Entity: Oregon Climate Trust
Julius Pasay, Executive Director
www.climatetrust.org
503-238-1915
jpasay@climatetrust.org
January 25, 2023

1. Expertise in greenhouse gas accounting is a critical component for CCI project implementation because this program will allow covered fuel suppliers an alternative pathway to meet compliance obligations. There will undoubtedly be public scrutiny of any CCI-funded projects (see ongoing scrutiny of California cap-and-trade program projects) therefore, all projects' greenhouse gas reductions must be defensible. An understanding of the range of available greenhouse gas reduction activities and how they do or do not provide community/environmental justice benefits and reduce or do not achieve co-benefits from other air pollution reductions is important as well.

   Chosen organizations will need to have strong expertise in evaluating activities and projects against the above criteria. Selecting and contracting individual projects is key to successful implementation of this program. CCI project developers will need to be able to evaluate project partners, project benefits and risks, financial feasibility and risk, and set up long term monitoring programs. Covered entities who fund CCI activities will complete due diligence on where their funds are directed; this can be a long and arduous process that organization needs to be able to complete.

2. Reforestation, forest fuel reduction treatments, grassland conservation that prevents tillage of soil, forest management, dairy anaerobic digester methane capture, cover cropping, reduced/no till, nutrient management are particularly appropriate for a state with abundant natural resources and agriculture production.

3. Oregon forests have enormous potential to capture and store greenhouse gases. Increasing Oregon's forest estate by recovering forests lost to wildfire and improving forest carbon management by reducing fuel loads in fire prone areas and increasing long-term forest carbon storage represent clearly achievable goals for the state. Existing carbon markets provide a robust framework for incentivizing increased forest carbon storage and reforestation via carbon. Preventing grassland soil carbon loss from grassland conversion to cropland has previously been piloted via carbon finance and land trust partnerships in Wallowa County. There are a number of agricultural practices that can improve carbon storage and sequestration, and some may be more or less appropriate for different agriculture producers in different regions of Oregon.

4. For land-based projects such as forestry, grassland conservation, and agriculture improvements, CCI entities or any subcontractors will need to secure contractual

approval from landowners and so engagement will be performed by default. For communities where property rights do not necessitate contractual obligations, (i.e. building a composting facility) the program should require community stakeholder consultation with a public comment period.

5. CCI entities should provide an annual report to DEQ on how incentive payments were spent that includes the amount spent, activity, location, project owner/implementer, quantitative number of GHG reductions, a qualitative description of co-benefits, and a qualitative description of how the activity benefits Oregon communities and environmental justice communities. Annual reports should reflect progress on work plans developed by DEQ and the CCI entity. A board reviewing and approving use of implementation funds should also be established (see below).

6. CCI entities should undergo an annual independent audit of finances and use of CCI funds. A board composed of members appointed by stakeholders including DEQ, fuel suppliers, the environmental community, and the environmental justice community should approve use of implementation funds to ensure funds drive greenhouse gas reductions in the manner intended by CPP and that GHG reductions are real, additional, and permanent and are not double counted. Before spending funds on implementation, the CCI entity should seek board approval on the use of funds. DEQ should direct CCI entities on use of funds, noting the expected time for funds to be invested in projects and a cap on what percentage of funds be used by CCI entities for their work and percentage that be spent on projects directly.

7. A framework of criteria to approve new project activities needs to be developed in order that CPP can determine if on average each CCI credit is reducing one metric ton of carbon dioxide equivalent. To streamline this process and not re-invent the wheel, the CPP should approve all of the existing voluntary carbon market's greenhouse gas reduction registry (American Carbon Registry, Climate Action Reserve, Verra, and Gold Standard) standards and protocols/methodologies so that credits issued in accordance with these systems are eligible by default. CPP may still want or need to approve new project activities that are currently outside the scope of voluntary carbon market registries. Alternatively, CPP could also consider simply requiring that all CCI projects generate GHG reductions via the existing voluntary carbon market, which provides pathways for new project activities to receive methodology approval via a scientific and public review process.

8. CPP should allow wide latitude for CCI entities to partner or contract with other entities to deliver GHG reductions whether through carbon credit purchase or direct implementation of activities. Carbon reduction projects are complex and often require outside contractor and auditor assistance.

9. A system to track GHG reduction claims is necessary to ensure there is no double counting/claiming of reductions. Tracking and reporting systems could mimic existing

carbon credit registries and should be publicly available. In cases where CCI entities fund projects via existing voluntary carbon registries these GHG reductions are already tracked meaning that this process would be straightforward and could simply reference those existing records. If CCI entities use existing voluntary carbon registries to quantify and verify GHG reduction activities, the CCI entity should clearly retire offsets on behalf of the covered entity that funded the project . If CCI funds are implementing projects outside of existing carbon registries, this system will be more critical and more complicated to develop. It would need to rely on CPP-developed criteria for project activities implemented and track these activities and any claims on the GHG reductions.

January 25, 2023

Request for Information

Community Climate Investments (CCI)

Oregon Department of Environmental Quality (DEQ)
c/o Whitney Dorer, Climate Policy Community Engagement Coordinator
700 NE Multnomah Street, Suite 600
Portland, OR 97232
Email: whitney.dorer@deq.oregon.gov

Name of Organization:	Seeding Justice
Website:	www.seedingjustice.org
Contact Name and Title:	Se-ah-dom Edmo, Executive Director
Phone Number:	503-289-1517
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As an organization dedicated to creating a more just and equitable future, Seeding Justice is excited to submit a response to Oregon Department of Environmental Quality's Request for Information (RFI) about potential Community Climate Investments (CCI) projects, tracking mechanism, priorities, and express our intent to apply to serve as an administering CCI Entity.

Climate change and its impacts are disproportionately harmful to marginalized communities who are forced to live in densely packed areas or at long distance from resources, close to industrial sites, and whose voices in the political process are drowned out by well-resourced special interests. To make matters worse, underserved communities also disproportionately lack the resources needed to prepare for and recover from climate impacts and increasing extreme weather events, such as heat waves, wildfires, poor air quality, and flooding. Finally, marginalized communities have also been excluded from designing and implementing solutions to address climate change. Not only does this result in solutions that do not address their needs, but it also prevents members of these communities from developing the critical skills and knowledge necessary to address a challenge that will exist for the foreseeable future which, thus, also limits

wealth building opportunities for these communities.

By sharing our intended approach and findings from ongoing community conversations in this RFI, we hope to inspire and empower other entities to join us in this important work. Together, we hope to create a more just and sustainable future for all residents of the state and the planet. We look forward to the opportunity to continue collaborating with DEQ, potential partners, and other CCI Entities to promote climate justice and make a real impact on the communities that need it the most.

1) What types of expertise would you suggest is appropriate for an organization and/or staff and/or key partners to have in climate change, environmental justice, and reducing greenhouse gas emissions and/or co-pollutants when implementing CCI projects?

Considering the potential scope of climate solutions and community benefits, the Climate Protection Program envisions a CCI Entity(ies) that brings a novel combination of capabilities. In the following areas of expertise, we include the possibility that 'project implementation' could occur through a combination of non-profit project partners (such as community-based organizations and others), for-profit contractors, and direct implementation by the CCI Entity(ies). (The latter is likely only appropriate when there are no other parties that could practically and effectively fill the role.) As implied by the question, and discussed further in question #8, these capabilities and areas of expertise can include those held at the CCI Entity(ies) and expertise or capacity provided by the various parties involved – though our recommendation is that the CCI Entity(ies) should have (employ, or directly contract for) at least some measure of all of the areas of strength noted below. Finally, we note that a 'project' could also refer to a 'program' – an offering that enables some relatively standardized service implemented at a large number of locations.

Expertise in Climate Change

- Knowledge of the **drivers** of climate change – to help in working with communities and organizations to suggest and encourage projects and programs that will provide strong GHG emissions reductions.
- Knowledge of the **impacts** of climate change, especially on environmental justice communities – including understanding the health, economic, social and other impacts – to guide CCI work. This understanding will:
    - Facilitate encouragement/development, and prioritization of the most beneficial projects
    - Point to projects where mitigation strategies also create adaptation and resilience benefits (such as heat pumps that also provide A/C and thus benefits during heat waves; energy efficiency air sealing that helps protect from wildfire smoke, insulation that supports resilience to extreme heat and cold, etc.)

Expertise in Environmental Justice

In addition to having a deep understanding of climate change, environmental justice, and greenhouse gas emissions reduction, to be successful, CCI Entity(ies) should have a deep understanding of social inequality, be committed to tackling these systemic forces, and have or are able to quickly build trusted relationships with CBOs working directly with marginalized communities in Oregon.

Climate change and its impacts are disproportionately harmful to marginalized communities who are often forced to live in densely packed areas, close to industrial sites, or in remote

areas with less access to services and opportunities, and whose voices in the political process are drowned out by well-resourced special interests. Without prioritization, these communities will continue falling further behind. This is why DEQ designed the Climate Protection Program to both reduce emissions and support equity across Oregon.

Seeding Justice believes that those closest to the pain of systemic injustice must be the decision-makers. As a community-embedded organization with nearly 50 years experience responding to community needs in Oregon, Seeding Justice (formerly MRG Foundation) has extensive experience designing and deploying statewide programs in a way that centers and lifts up those most impacted.

Simply put, key elements of Environmental Justice expertise include:

- A deep understanding of social inequality
- A demonstrated commitment to tackling these systemic forces
- Trust/relationships with CBOs working directly with marginalized communities throughout Oregon
- Approaches to access and lift up voices in communities that are otherwise drowned out by well-resourced interests
- Experience designing and deploying statewide programs in a way that centers and lifts up those most impacted and centers those voices in decision making

Finally, we would suggest investing in a community organizing approach to deep application and project cultivation. Ideally a CCI Entity(ies) ought to be actively working in advance with the ecosystem of CBO's, businesses, chambers of commerce and other stakeholders to assist communities in imagining, developing and supporting new and innovative projects.

Expertise in Reducing GHGs and/or Co-pollutants

- Technical knowledge across a variety of sectors and solutions to support the development/encouragement, review, prioritization, selection, monitoring and adjustment, and evaluation of projects
    - Ability to estimate likely GHG reductions of a given project
        - Considering the lifetime of the measures / technologies
        - Aligning with industry-accepted modeling and other estimates for various measures and calculations
        - Developing new methods where needed – considering the likely diversity and newness of projects CCIs may address
        - Understanding additionality considerations and appropriate attribution of results, including among multiple components and funding streams of a project (all avoiding double-counting)
    - Supporting project partners in setting up quantitative monitoring approaches – and to do so as simply as possible to get reliable results
    - Providing guidance to project partners on potential adjustments to projects/programs to increase their reduction of GHGs and other emissions
    - Establishing and conducting appropriate spot-checking to support strong evaluation

processes (and/or working with partners and 3rd parties to do this)

    - Reporting on results, across multiple program types, with clear information for stakeholders and governance bodies (EAC, DEQ, EQC, communities served, other agencies and commissions, covered entities, and others)

- Knowledge of the co-pollutants associated with various fossil fuels and uses to support
    - Prioritization of the most beneficial projects
    - Guidance on project design and monitoring
    - Reporting on co-benefits
- Technical knowledge (and access to experts) on key technologies / approaches and their installation, including 1) knowledge of proper installation for various measures to avoid potential safety, air quality and other risks, and 2) ability to establish quality assurance approaches to confirm and continuously improve quality in these installations, for a range of solutions:
    - Renewable energy
    - Residential energy efficiency
    - Commercial energy efficiency
    - Industrial energy efficiency and strategic energy management
- Financial skills to design (and partner, as needed) to bring solutions that facilitate customers in financing projects where appropriate and deploying these resources in an equitable and transparent manner.

Overall Organizational Expertise

Beyond the three categories of expertise outlined in the question, an effective CCI Entity(ies) will need expertise in overall program and fund management. These can be categorized as follows:

- Technical, as outlined above
- Community Engagement and Communications (see other sections for more information on suggested models of community engagement)
- Structure and Administration
    - Skills to structure, manage, and scale an organization
    - Strategic management
        - Monitoring relevant climate policies
        - Engagement with strategic partners
- Program Management / Operations
    - Grant / Program Managers (with specific GHG emissions expertise)
    - Workforce Development
- Finance
- Legal

2) What types of greenhouse gas emission reduction projects would you suggest being considered or prioritized for CCI throughout Oregon? Please be as specific as possible.

The potential project areas for CCI investments are nearly as broad as Oregonian's uses of energy – spanning buildings, transportation, and industrial uses. The prioritization of environmental justice helps focus these opportunities, emphasizing projects in the overlap of GHG reductions and those opportunities surfaced through community-grounded processes that prioritize each community's needs. This community-based approach and knowledge also ties to consideration of Oregon's regional differences in climate, economy, ecology, and differing priority emissions.

Further guidance on prioritization is available through Oregon studies on our most important GHG emissions – such as the TIGHGER study in progress at the Oregon Global Warming Commission, DEQ's study conducted by ICF, the En-ROADS tool developed by the MIT Sloan Sustainability Initiative, the Energy Policy Simulator (EPS) developed by RMI and Energy Innovation and tailored for Oregon, and various recent deep decarbonization studies (like that completed by CETI).

Many projects could fit in the types discussed below, and fall in this critical nexus of GHG reductions and community benefits. Of course any CCI project would need to meet the requirements of the rules defined for the CPP. This project diversity would include a mix of some projects that may out-perform on GHG reductions (providing more than 1 ton of CO2e reductions per CCI credit), balanced with some that may deliver somewhat lower GHG reductions per credit, but that may be even stronger in delivering community benefits. In essence, we suggest a 'portfolio approach' which balances expected results, but also balances the risk of newer or less predictable projects with those that are more predictable, thus helping to ensure overall results.

Finally, for these various project types, there is a parallel consideration of different quality assurance, workforce, partner capacity development, financing, outreach and other necessary approaches for each.

Potential Project Types

- Residential Energy Efficiency Programs - including equipment replacement (heating, water heating, cooking appliances), insulation, envelope measures (air sealing, windows, doors, etc.)
    - Single-family homes
        - Distribution/installation of low-cost / quick / temporary energy saving solutions – such as window films, door sealing, light bulbs, water-saving devices, etc.
            - Potentially coupled with educational programs for homeowners about self-install measures and strategies to reduce energy use, improve comfort, etc.
        - Measure-by-measure programs – selecting highest benefit and GHG-reduction improvements (such as choosing among those listed in the 'Deep whole-home retrofit programs' description), often for a given neighborhood, a particular type or vintage of home, etc.
        - Deep whole-home retrofit programs – pursuing as many measures as possible, while focusing on co-benefits of health (indoor air quality, temperature, etc.), energy savings (and energy bill savings and housing stabilization, asset protection, etc.); includes considering non-energy measures (safety,

maintenance, accessibility) in the process, and braiding with other funding where possible

    - Multi-family buildings
        - Targeted measures, including consideration of economies of scale in materials/vendors/workforce
        - Full-building improvements – considering the potential temporary relocation of residents, phased upgrades in unoccupied units, and other approaches

- Targeted residential equipment replacement programs – both single-family and multi-family – focused on outreach in a neighborhood or category of buildings likely to have similar improvement opportunities, toward replacement of a specific technology
    - Upgrades to more efficient heating, water heating, cooking and other systems
    - Upgrades to electric heating (e.g. electric heat pumps), water heating, cooking and other systems
- Renewable energy projects, such as rooftop solar (residential and commercial), micro hydro projects, micro wind projects and others – provided that the energy is supplied to new or existing residential or commercial structures, or industrial processes, or for transportation, as defined in the rules
- Energy use in community buildings
    - Energy efficiency and renewable energy technologies to get new community buildings to net zero energy
    - Energy efficiency and renewable energy technology deployment on existing buildings
- Deployment of new clean energy and energy efficiency technologies in Oregon, especially of Oregon-based solutions, and especially those that bring manufacturing, development, workforce, and/or user benefits to environmental justice communities in Oregon
- Small-business energy efficiency programs – such as retrofits of buildings and equipment, process improvements for efficiency and renewable energy use, and others
- Advanced efficiency components (equipment, materials, etc.) in new housing construction – especially benefiting low income and unhoused people, and reducing the costs of providing and maintaining that housing
- Renewable energy components in new housing construction
- Community renewable energy – provided that the energy is supplied to new or existing residential or commercial structures, or industrial processes, or for transportation, as defined in the rules
- Community renewable energy coupled with micro-grids for resilience and other local benefits – within the limits mentioned above, and provided that the micro-grid serves to advance the GHG emission reduction requirements and other requirements of the rules
- Biomass-powered energy projects
- Transportation electrification

    - Access to zero emissions vehicles (ZEVs) for lower income communities and those underserved by public transportation
        - Charging infrastructure – especially in conjunction with programs that improve access to ZEVs
    - Bus electrification – especially in targeted, under-resourced communities
- Access to micro mobility solutions – if it can be shown that the solutions replace GHG-emitting transportation
- Low and zero emissions freight solutions – such as electric and pedal-powered solutions in high-density districts, especially where emissions and co-pollutants otherwise impact local communities
- Other low-emissions transportation solutions including use of hydrogen (fuel cell and combustion) technologies, and compressed natural gas (CNG) where the source gas is from RNG
- Industrial energy efficiency improvements such as energy efficient process equipment, lighting, heating and cooling systems, and others
- Renewable energy at industrial sites – especially where the technology replaces energy generation and use that emits co-pollutants affecting workers and nearby communities
- Industrial use of RNG, such as in high heat applications or others where electrification is especially difficult or expensive (only where investment is needed; this will often be a drop-in replacement scenario to replace traditional natural gas, and utility programs may often support necessary equipment upgrades, etc.)

3) Please provide a one-paragraph description of potential project ideas:

For each of the project types (and others) listed above, there are several ways to implement them to ensure both effective reduction of GHGs (and often co-pollutants) and prioritization of benefits for Environmental Justice Communities. For many, there are existing project success stories to draw on – both in our region, and across the country. Below we focus on a very initial, short list of ideas from Oregon groups (potential future implementation partners). While not included below, Oregon experts can also offer a wide range of specific potential projects in the transportation arena – including projects led by Forth in communities throughout Oregon and in other states.

A critical consideration in shaping actual projects is how to leverage and braid additional funding sources, and how to credit CCI dollars for an appropriate share of the GHG mitigation results. This attribution question will be an important topic for input from DEQ, the EAC, SJ's own steering committee, and the project partners.

(Note: Project ideas with an asterisk (*) near an organization's name were provided by VertueLab, as submitted for their Frontline Impact Program; projects marked with two asterisks (**) were also suggested by VertueLab, and are included here with explicit permission from each organization.)

Community 'climate smart' benefit project providing residential access to solar energy and electric heat pumps

Idea from **Beyond Toxics** **

The proposed program would promote meaningful involvement from the Bethel community, an environmental justice community in West Eugene, in decision-making that affects their health and property. This is a community-centered project involving a coalition of community members, the City of Eugene, and state regulators to implement a community climate smart benefit project in the form of residential access to solar energy or electric heat pumps. Outcomes include reduced exposure to air pollution, lowered risk of asthma and other respiratory diseases, overcoming barriers to the public's engagement with climate pollution reductions, and advancing the community's valuable knowledge from their own experience living in the shadow of large polluters. The project would include community outreach activities including a series of strategy and visioning meetings, door-to-door canvassing, engagement activities and working with residents receiving clean energy solutions in the form of electrification.

Community building remodel for net zero energy

Idea from **Warm Springs Community Action Team***

The pioneering Commissary Building project, the first of its kind in Oregon and one of few in Indian Country, is converting an abandoned 19th century Bureau of Indian Affairs building on the Warm Springs reservation into a 21st century incubator for new businesses run by Tribal members. The project will be a showcase for Tribal economic development and sustainability efforts, including completely remodeling the building to make it net zero energy. As part of the process, the building will be powered by new and innovative solar tracking technology, and will include batteries, making it a resiliency hub for the Warm Springs community.

Free, direct home energy upgrades and repairs that help low-income clients reduce their energy costs and environmental impact

Idea from **Community Energy Project** **

Equity in energy efficiency combats the effects of climate change and helps previously underserved communities save money on their utility bills and lower their energy usage. Through this project, Community Energy Project (CEP) promotes neighborhood stability by providing free, direct home energy upgrades and repairs that help our clients reduce their environmental impact. This project is crucial for creating an equitable distribution of resources for our low-income clients who are part of frontline groups, often left behind in the efficiency world. We are working to transform the communities we serve to become sustainable, to reduce their carbon emissions, and help to close the equity gap by providing services based on the needs of each individual. For our clients, repairs and weatherization upgrades can last for the rest of their lives, and even extend them. The ideal impact for

these services is to better serve and protect our low-income clients and other vulnerable communities from the effects of the climate crisis.

Residential energy efficiency coupled with homeowner, workforce, and contracting education

Idea from **African American Alliance for Homeownership** *

Power to the People PDX™ is AAAH's energy efficiency program for homeowners in Portland's Black community. While reducing emissions, residential improvement projects in this program aim to offer education to residents and opportunities to workers interested in the energy efficiency field. Our program's commitment to equity in contracting informs our need to address the shortage of culturally representative workers in the energy efficiency industry. This project also supports the development of training resources and opportunities for new workers in the energy efficiency field, access to new technologies used in the field to provide hands-on experiences through a mentorship program, and coaching on career pathways for participants to identify business development opportunities in the emerging energy efficiency industry.

Rural rooftop solar projects to reduce costs and emissions for lower-income households

Idea from **Enterprise Electric and Rental** in Enterprise, Oregon

Most lower income clients can't make the economics of solar work with the available incentives. It is also difficult to use tax credits (though recent federal IRA tax credit design may partially help). Overall, there is a need for a grant program (like CCIs) to expand access to the benefits of solar energy. Sample economics for a fairly large (10KW, for simple math) residential system:

- Produces 13,224 kwh per year
- Pacific Power releases about 1.2 lbs co2e per kwh
- Each year a 10KW system helps to avoid 15,868 lbs of carbon
- If the system life is 20 years x 15,868 lbs, the avoided carbon would be 317,376 lbs
- 317,376 lbs divide by 2000 lbs/ton = 158 tons
- 158 tons times the CCI value of $108/ton [this, of course, is just for calculation purposes; actual projects would have overhead costs at both the program and project level] would equal a potential $17,136 credit to a low income project on a house
- At rough total project costs of $3/watt, a roof top 10kw would cost approximately $30k; the $17K goes a long way toward addressing this

The intent would be to get out-of-pocket costs to zero for low-income families by combining this with Energy Trust, federal, and any other incentives. Creative multi-year financial structures would also be important to maximize benefits for all involved.

Multi-family rooftop and ground-mount solar projects to reduce costs and emissions for lower-income rural households

Idea from **Enterprise Electric and Rental** in Enterprise, Oregon

Solar energy can help bring energy cost reductions to multi-family housing. This also supports housing stabilization, and keeps energy bills more constant in the long term since utility cost increases are avoided. At this larger multi-family scale, a rooftop or ground-mounted solution for an apartment building (or for community solar) could be a 500KW system. Following the energy generation economics outlined for a single family system, these larger systems could equate to a potential $856,800. In these larger systems, the total project costs are closer to $1.50 - $2.00 per watt (depending on ground-mount or roof-top, trackers, bifacial technology, etc.), enabling the CCIs to cover a larger portion of the total costs, with the balance to be pursued through other federal, state, utility (Energy Trust) and other incentives, along with long-term structuring of energy costs for customers.

Micro-grids powered by solar and hydro power with battery storage

Idea from **Wallowa Resources** **

This project will provide a critical infrastructure micro-grid system that will eventually serve up to three incorporated cities in Wallowa County. These micro-grids will be powered by solar and hydro power with battery storage. While generating emissions reductions through the use of renewables, the project will provide our hospitals, law enforcement offices, fire departments, fuel and grocery suppliers, and community buildings with power during power outages or times of emergency. The Community Energy Strategic Plan for the micro-grid will be completed in the spring, and then we will transition to capital formation and implementation.

Biomass energy production using small-diameter timber processed into clean and renewable energy

Idea from **High Desert Partnership (HDP)** **

Rural communities like Harney County, in Eastern Oregon, are at the forefront of the climate crisis, suffering disproportionately from its impact and consequences. The increased severity and occurrence of catastrophic wildfires pose an existential threat to this small, economically distressed community. To combat the enormous threat of these forest fires, we have identified a potential game-changing solution in biomass energy production, fueled using biomass (small-diameter timber) harvested from the Malheur National Forest and processed into clean and renewable energy for the community of Burns, Oregon. Biomass is a powerful climate tech solution because it both directly decreases emissions (by producing clean energy in place of fossil fuel energy), and increases long-term carbon sequestration (by protecting the health and longevity of the Malheur National Forest). [We recognize that sequestration is not a qualified carbon mitigation strategy in the CPP.] Furthermore, by contracting local workers to harvest the material, we are creating high-paying jobs that increase the resilience of our community. The biomass facility is currently operational, and High Desert Partnership is actively developing processes and procedures to ensure sufficient biomass harvest occurs. Projects are in place to train more workers in this highly-skilled labor, including through youth internships to create pathways to high-paying jobs. Increased

funding is needed in several areas to secure and grow the positive outcomes of this program.

Weatherization and energy efficient electrification of homes, in collaboration with utilities, to reduce emissions and ensure resilient power supply across Lane County

Idea from **Beyond Toxics** adapted from their report on **Equitable & Resilient Climate Strategies** for Lane County, Oregon

This strategy has the potential to both reduce GHG emissions from homes and reduce threats to the power grid that otherwise cause blackouts, brownouts, and health threats. Investments in strengthening weatherization programs throughout the county, some as described in other ideas above, may include targeted outreach activities, door-to-door canvassing, economies of scale through targeting like-homes with specific technologies, and group engagement activities. These efforts also bring resilience benefits to households, including making the envelope of homes more resistant to extreme heat and cold, and making cooling (critical for health, especially for vulnerable populations) more efficient and less expensive (i.e. through targeted heat pump programs).

Community public building programs for efficiency and resilience

Idea from **Beyond Toxics** adapted from their report on **Equitable & Resilient Climate Strategies** for Lane County, Oregon

Buildings represent one of our biggest emissions reduction opportunities, but also our refuge in times of climate-driven crises. This strategy includes designing programs to retrofit existing public buildings and ensure that air quality is protected in new public buildings. School buildings represent a high priority category, pointing to the need to work with school districts throughout Lane County to upgrade infrastructure (building envelopes, high-efficiency equipment, and controls) to maintain air quality in the face of extreme heat and wildfire smoke.

4) How would you suggest engagement happen with environmental justice communities in project development and implementation? Please specify as much detail as possible and list which environmental justice communities you might be referring to.

Our Community Fund model is specifically designed to empower those most impacted by injustice, and we do this by establishing community-led advisory committees. We believe in the power of community-led decision making to drive real, lasting change and it's the model that we've utilized for the last, nearly, 50 years.

In preparation for this RFI, we have already begun the important work of community outreach. We have reached out to those on the frontlines of climate change in Oregon and have had productive conversations with environmental justice groups and issue experts, including, Oregon Environmental Council, Energy Foundation and Energy Trust of Oregon]. Seeding Justice and PECI also hosted community sessions with participation from Verde, Energy Trust, Beyond Toxics, Nesika Wilamut, Portland Harbor Community Coalition, Rogue Climate, Affiliated Tribes of Northwest Indians, Unite Oregon, Good Rain Farm, Climate Solutions, Community Energy Project, Bluegreen Alliance, Portland All Nations Canoe

Family, and Nimiipuu Protecting the Environment. Energy Trust of Oregon has already graciously offered to serve on our community advisory committee, if needed.

Once established, the advisory committee would lead the shaping of investment guidelines, identifying potential project and funding priorities, and refining strategies to maximize covered emissions reductions and distribute funds equitably across the State of Oregon.

We also recognize the importance of engaging with a wide range of energy sector stakeholders in the implementation of this program. In addition to outreach for environmental justice organizations, we would suggest conducting outreach to statewide trade associations, chambers of commerce, regional economic development agencies, and businesses involved in these project areas to facilitate ongoing communications, identify potential implementation challenges, and create opportunities for input and improvement.

We have also learned that effective communication is key to building trust and support for our program. We would also suggest investing proactively in strategic communications. This includes sharing program milestones and successes with the public, establishing a statewide and multilingual communications plan and building community trust.

5) How would you suggest an organizational structure to provide oversight and administration of CCI funds that are directly sent from covered fuel suppliers?

Seeding Justice's Community Funds have taken many forms since we started the program—they have been funded with dollars received from legal settlements, donations from individuals and foundations, or government relief funds. Depending on how they're set up, the funds may be directed to specific Tribal Nations or organizations, have an open grantmaking process that's managed by representatives of a community-led coalition, or more often they are distributed by Seeding Justice through a participatory grantmaking process that's facilitated by us but led by members of the communities most impacted. We initially plan on developing CCI as a Community Fund at Seeding Justice, led by and accountable to communities most impacted by climate impacts.

In order to optimize oversight and administration of CCI funds, Seeding Justice would suggest working with trusted web app developers and IT specialists to thoughtfully select, configure, and activate the suite of software tools and platforms to be used for:

- Secure accounting and payments systems that interface with covered fuel suppliers, and provides certified/ serialized receipts
- Grants and contract management
- Reporting, and other database needs

Once the new program has been designed and systems piloted, we would continue to work with developers to integrate APIs across the software suite to allow for streamlined applications and reporting, simple and secure payment methods, optimized workflows, and facilitate data reporting in real-time.

We would also work with our legal experts with extensive experience in representing non-profit and charitable entities to draft agreements, and set up fiscal management of the project. We would also work with financial experts to set up fiscal policies, financial controls and processes.

We have found that proactively building systems for oversight and administration of funds in a way that leverages technology and industry best practices is the best way to empower environmental justice organizations, coalitions, and experts to focus on impactful outcomes, program outreach and strategy.

6) CCI entities could potentially be receiving millions of dollars annually. What type of financial tools would you suggest are appropriate for financial oversight and auditing (securing, tracking, and reporting on funds)?

A variety of integrated systems and platforms are envisioned:

Treasury Management System (TMS) allows the CCI Entity to:

- Accept incoming and disburse outgoing transactions efficiently via Wire, ACH, and/or checks
- Mitigate fraud risk with features including audit trails, dual-party transaction review and approval, change controls and permission, and alerts
- Manage and safeguard funds optimally by sweeping idle funds to maximize interest earnings, maintain FDIC coverage, and limit unauthorized access to funds

TMS are typically offered by a bank. If certain capabilities are lacking or missing, 3rd party platforms can be integrated to supplement the bank's TMS.

General Ledger / Accounting System provides the core bookkeeping functions used to organize finances (accounts), record transactions, and provide financial data, tools and reports to support day-to-day financial management and planning, budget management, forecasting and planning, and audits.

Reporting & Data Visualization (please see response in next question)

Customized Web Portal Interfaces (please see response in previous question)

Please also see our statement on "Systems Pilot and Launch" in our response to Question #10.

7) What additional systems would you suggest being needed for project implementation?

Grants & Contract Management - Whether the projects will be awarded as grants or contracts, it will be essential to have a system that can accept, manage and review proposals, track contract terms and conditions, manage the disbursement of funds, track and manage project budgets, and monitor compliance.

Project Management, Planning & Forecasting - It is likely that there will be multiple CCI projects and multiple staff managing those projects. Additionally, expected supply chain issues and labor shortages will require a high degree of project management flexibility. It is therefore necessary to have a project management system to give the CCI Entity(ies) staff the tools to effectively plan, forecast, and adapt the implementation of CCI projects.

Emission Modeling, Estimation & Tracking - A system that models, estimates and

tracks the CO2e emissions reductions associated with funded CCI projects. Depending on the system(s) selected, these functionalities might be split among multiple sub-systems.

Customer Relationship Management (CRM) - A system to help manage relationships, activities and information related to all 3rd parties including, but not limited to, environmental justice organizations, sub contractors, TA providers, non profit partners, covered entities, and others.

Customized Web Portal Interfaces - This will allow 3rd parties (covered entities, subcontractors, etc.) to securely submit data, make payments, request funds, obtain transaction receipts, and access historical and real-time reports (e.g. dashboards). These capabilities might be built into or integrated with the other implemented financial or project systems.

Knowledge Sharing - A system to facilitate the sharing and distribution of key program, project, and implementation information and knowledge among sub-contractors and project partners located throughout Oregon.

Database - Vast amounts of information are expected to be captured, tracked and analyzed. Depending on the capabilities of the other systems used, a separate database may be required to perform these functions.

Community Relations & Engagement - A strong community-driven approach will require a system that can manage a vast number of community relationships throughout the state. While this functionality might be enabled in the CRM, it may be necessary to implement a separate system to provide enhanced engagement capabilities.

Reporting & Data Visualization - May be required to provide capabilities above and beyond what other finance, project management, and data tracking systems can offer including customized reporting, presenting data and trends in a visual (including geo-spatial capable) manner, and facilitating transparency and data sharing.

Please also see our statement on “Systems Pilot and Launch” in our response to Question #10.

8) What partnerships, such as subcontracting with other non-profit organizations, sovereign tribal nations, companies, etc., should be considered?

Many of the functions and areas of expertise outlined in question #1, #7, and elsewhere in this response could be well-served by partners working with the CCI Entity(ies) and/or with project partners or groups of project partners. At the same time, in the early phases/ramp-up period of the Entity(ies), it may be beneficial to keep most functions in one organization to facilitate coordination of resources and plans. This points to a possible phased approach, where the organization is set up in a way that certain teams/functions could be easily spun out (or supported in spinning out) as they reach sufficient scale and where their skills are also called for by other initiatives (potential ‘customers’). Another phased approach would be to hold limited initial capability in-house, potentially augmented with contractors, and then seek outside providers as the scale requires.

These considerations also point to an important justice consideration: Where

possible/practical/efficient, it is preferable to foster growth of capabilities in supporting organizations, be they nonprofits, small businesses, tribal groups, and others. This supports more distributed wealth-building, distribution of power, and potentially resilience and innovation (especially if those other groups are led by or have deep expertise working with priority populations), rather than growing large, fully-integrated CCI Entity(ies) teams. This philosophy can be guided by keeping in mind the CCI Entity's or Entities' core work – including managing and deploying funds, reporting, tracking, continuously improving results, and enabling scaling in a growing ecosystem of providers. In offering this list, we are suggesting the baseline assumption that all (or nearly all) on-the-ground project implementation is run by project implementation partners.

Example additional functions that could readily be well-served by partners:

- GHG estimating
- GHG measurement and evaluation
- Community benefit estimating, follow-up analysis, surveying and evaluation
- Capacity-building consulting for NGOs/CBOs
- Community Engagement with culturally- and region-specific approaches
- Sectoral program/project management contractors
- For example, Energy Trust has 1-4 for each sector: residential, commercial, industrial, new buildings, and others
- Experts for gas emissions reduction evaluations
- For comparison, Energy Trust has a small network of 9 evaluation firms that do analysis, engaged when specific evaluation needs arise
- Marketing and communications
- Could include media relations, web design, infographics and videos, etc.
- Software development
- Project intermediaries
- Allowing projects to scale more quickly through some group intermediaries, e.g.
- A tribal intermediary, serving shared needs for multiple project implementation partners
- An intermediary addressing shared needs of implementation partners working in a given energy sector or technology
- Treasury/banking support, including services related to management of funds held in trust before they are deployed

9) What tracking and reporting systems would you suggest being used for greenhouse gas emission reductions?

There are a variety of approaches and means to track and report GHG emission reductions. In the most basic case, other deployed systems, including, but not limited to

CRM, databases, reporting and analysis tools, and others will likely be able to provide the necessary functionality. However, depending on the exact GHG emissions reduction accounting that may be required, more sophisticated systems might be necessary.

What, however, is essential are the following:

- Post Project Verification - To ensure that the CCI Entity(ies) is meeting its stated objectives and to establish credibility and confidence in the CPP, it is essential that some degree of post implementation verification is done (ideally by independent 3rd parties) and that differences between actual and estimated GHG emissions reductions are analyzed to understand why the deficiencies, if any, are occurring. While the data used for these analyses can be tracked and managed in the same systems as previously mentioned, it will be necessary to have the proper project management capabilities to effectively manage the verification effort.

- Consistent and Comparable GHG estimation methodologies - This does not pertain to the systems, but rather a statement that comparable GHG emission estimation methodologies will be required. From solar projects to home energy retrofits to transportation decarbonization and others, there are many different types of projects that could be implemented to achieve the goals of the CPP. Each of these types of projects, however, have their own estimation methodologies and assumptions. It is essential for the CCI Entity(ies) to not only have access to these various methodologies but that the selected methodologies yield consistent estimates such that they can be used in an “apples-to-apples” comparison basis when reporting emissions reduction data.

- Simplified Data Capture - Because a diverse set of projects will be implemented across a broad geographic range among many different communities, a simplified means to capturing emissions and project management data is essential to effectively manage and report CPP impact.

Additionally, the various types of Emission Scopes that must be tracked will determine what software tools will be required to assist in determining those estimates.

Please also see our statement on “Systems Pilot and Launch” in our response to Question #10.

10) Please provide any additional information you or your organization believes DEQ should know as part of the RFI process. You can also email any additional attachments with this form when you submit.

- A core objective of the CPP is to “Enhance public welfare for Oregon communities, particularly environmental justice communities”. This objective has several ramifications that DEQ should be aware of:
    - Many Environmental Justice Organizations (EJOs) serving these communities have been traditionally under-invested and therefore may lack the expertise and capacity to scale the impact that is called for under the CPP. CPP consideration and funding should, therefore, allow for and embrace investments that build organizational capacity.

    - Effectively engaging these communities will likely require more effort compared to that needed to broadly engage Oregon, thus requiring investment that will take time as a CCI Entity ramps up the ability to reduce CO2e emissions.

- While it is understandable that Covered Entities may be opposed to making Community Climate Investments (CCI), it must be acknowledged that many Covered Entities and their allies are powerful, entrenched organizations that will bring unwanted and biased scrutiny to already vulnerable EJOs and their projects. Furthermore, because many EJOs have been under-invested (see above), they may require additional flexibility and support. This could draw additional scrutiny and those organizations may be ill-equipped to respond to such scrutiny. This is a scenario that has been repeatedly observed at the Portland Clean Energy Fund (PCEF) and therefore one that should be anticipated with the CPP. We, therefore, believe DEQ should 1) develop and enforce policies and work with the CCI Entity(ies) to shield them and especially their EJO partners from any biased scrutiny and 2) support them as necessary when such scrutiny occurs.

- Many assumptions around CO2e emissions, best practices and costs are based upon conventional solutions and approaches. However, when addressing the needs of Environmental Justice communities, one needs to take into account that cultural and economic considerations may require innovative approaches that deviate from the "norm," thus adding costs to the CO2e reduction solutions, increasing project and impact risk, and reducing implementation efficiencies. In developing the annual CCI workplans, latitude should be given to CCI Entity(ies) to accommodate such deviations.

- Systems Pilot and Launch - It should be noted that not all the capabilities and systems mentioned in our RFI response need to be operational on Day 1. In fact, depending on the anticipated revenue volumes, capacity constraints, timeframe considerations and in light of pending litigation around the CPP rules, it may be necessary and desirable to provide an initial set of functionality via spreadsheets and other basic tools or systems. Then over time, as project and funding volume grows, processes get formalized, and needs get better defined, it will make sense to start implementing the systems and additional functionality, automation, and integration to scale the operations.

- It is our understanding that Covered Entities have a bit of latitude (3 year compliance periods) as to when they must earn CCI credits to address emissions. That coupled with the pending lawsuits could create a challenging (inconsistent) year-over-year cashflow scenario for the selected CCI Entity(ies), especially for the first few years. This could make it difficult for the CCI Entity(ies) to retain staff, maintain momentum and make long term decisions and investments. It would therefore be very helpful to give CCI Entity(ies) some flexibility to help accommodate wide swings in cashflow. This could include, but is not limited to:

- Allowing CCI Entity(ies) to negotiate with Covered Entities the forecasting of CCI payments.

- Staggering the disbursement of funds over multiple years.

- Allowing for a multi-year "rolling average" administrative (overhead) budgets.

- Forecasting CCI contributions made to CCI Entity(ies) by Covered Parties is complex and based upon many unknown or TBD assumptions. Yet it is essential to at least have a ballpark idea of what CCI Entity(ies) can expect so that they can properly design the organization, systems and processes to anticipate the volume and scale of work involved. It would be desirable for DEQ to provide forecasting guidelines and general assumptions

as soon as possible (ideally before the RFP is released) so that applicants can determine for themselves the work and volume that they should anticipate.

- To do the work of the CCI Entity(ies), especially if it's decision making is to be rooted in community and considering the volume of funds and uncertainties involved, it may be necessary to introduce creative, non-conventional approaches for how the CCI Entity(ies) is structured and how that structure may evolve over time. Therefore, so long as the "core entity" remains a 501(c)3, CCI Entity(ies) should have the latitude to choose from a variety of structures including disregarded subsidiaries, future spin-offs, and others.

- We are fortunate in that there are other significant climate action funds available in Oregon including, but not limited to, the Inflation Reduction Act, Portland Clean Energy Fund, and other local and regional programs. CCI Entity(ies) should develop its workplan in a way to complement CPP funds with other sources to maximize impact and benefits to Oregonians.

- One of the CCI's priorities is "Promoting public health, environmental, and economic benefits for environmental justice communities, helping to mitigate impacts from climate change, air contamination, and energy costs". This is a very broadly defined priority that could potentially encompass a very wide range of projects. Either additional guidance should be provided or CCI's should be empowered to determine what constitutes viable "public health, environmental, and economic benefits" (and explain in their proposal how they plan to make that determination).

- When reporting on the CO2e reduction impact of a project, the CCI Entity(ies) will need to work with DEQ and the EAC to set expectations regarding whether the deemed (estimated) reduction or the verified post-implementation reduction of GHGs will be the core basis for tracking impact. Additionally, clarification around what types of Emission Scopes (1, 2, 3) must be tracked would be beneficial.

- Given the desire is to support environmental justice organizations in performing this work, we would like to re-emphasize the importance of capacity building support for these organizations. This includes the capacity, skills (including not limited to language, outreach and community engagement, technical knowledge, etc.) and business development capabilities to effectively fulfill the expected demand for CCI-funded programs.

- Given the large amount of funds and 3rd party data involved and the risk of potential fraud, CCI Entity(ies) should employ robust, best practices IT security policies, systems, and procedures to safeguard funds and privacy. These could include, but are not limited to, two-factor authorization for all logins, dual party transaction controls, IT security training for all employees, and malware prevention and tracking tools.