

Oregon Clean Fuels Program



State of Oregon
Department of
Environmental
Quality

Meeting Summary

Long-Term Illustrative Compliance Scenarios Kickoff Meeting

Oct. 29, 2020

Web-based meeting

Meeting Agenda

Time	Topic
9 a.m.	Introductions and Overview
9:05 a.m.	Presentation by ICF
10:00 a.m.	Questions and Answers
11:00 a.m.	Adjourn meeting

- DEQ gave a brief introductory summation of plans for this project.
- ICF, the contractor for this project gave a presentation and DEQ took questions.
- The questions/comments appear in bold text and DEQ's responses appear in plain text.

This study and its results will help inform how ambitious of a program expansion we will be looking at in the future. Rulemaking process will likely start in late 2021 and go into 2022. This will inform but not predetermine what the proposal to our environmental quality commission will include. There are several scenarios that will be explored in this study but that does not mean that all of them will be included in our proposal to the Environmental Quality Commission.

What are the timelines for the rulemaking?

There are two rulemakings that we have discussed in the meeting:

- Electricity Rulemaking is going on now and DEQ hopes to send the rules to the EQC in March or May 2021.
- Expanding the Clean Fuels Program Rulemaking is planned to begin late next year and be taken to EQC in middle to late 2022.

What is the timeline for this project?

There will be two weeks for stakeholders to submit written comments to program regarding the presentation for this kickoff meeting. Discussion today and written comments will feed into the draft assumptions report. ICF will begin drafting scenarios from that report and come up with a draft scenarios report. Once the scenario report is done and available, we will reconvene to discuss that report. Once we have additional feedback from stakeholders to inform any changes or anything missed before finalizing that report. There may be another meeting at that time to review final deliverables of this exercise, so that we can discuss how comments and ideas were turned into the scenarios and make sure everyone understand how that works.

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California's LCFS has 2 categories for reporting forklift trucks, new >2010 and old <2011. The new forklift trucks receive almost 4 times the number of credit to encourage the use of new more efficiency vehicles, could you also consider this as an option in CFP?

We are considering doing this in the current electricity rulemaking, using the year 2015 because that is the baseline year for the Clean Fuels program and propose a similar credit generation bump be given to 2016 and newer forklift vehicles.

When did ICF officially start work on this report?

As far as this effort, this is a new contract – no work has been done as far as the analysis. DEQ was waiting for feedback from stakeholders to begin the technical work and assumptions process.

Does "modeling" include running the economics of the fuel options to prioritize direction?

No, this project is put together purely to look at available technologies and fuels. We are looking at new carbon intensities. When we get to rulemaking process, which is when we are setting targets and making changes to our rules, we are required as a part of that rulemaking analysis to do fiscal and economic impact analysis of costs to comply with the program. At that time, we will review the economics of complying with this rulemaking would be internally and would be done in house unconnected with this project.

Similarly, are the heavy EV vehicles going to be available as projected?

We are a ZEV state and we have a regulation so at the minimum we consider what the regulation will required. CA having these regulations in place is a huge signal to the market and helps ensure that we have enough of the vehicles to meet the scenarios we will be looking at in this exercise.

In terms of scenarios, will there be recognition around infrastructure and fleet limitations on biofuels blending (E10 vs E15) in terms of what the compatibility is that in terms of the scenarios?

Please submit comments on this topic, we would like input from stakeholders. We can review the DMV registration data to determine model splits and fuel usage that is compatible with those vehicles. For example, passenger vehicles that can take higher blends of ethanol.

Is DEQ considering any change in the existing application exemptions in the current program? For example, off road in order to bring those into the program so that they can generate credits?

These exemptions are in statute. Generating credits from lower CI fuels going to those exempt uses are currently allowed in the program so long as there is proper documentation. However, that is net credits. For example, if delivering B5 there is a net of deficits/credits from fossil and renewable to determine what credits are generated.

Will aviation fuel/renewable jet be considered in terms of the credit generation scenarios going forward, as well?

Renewable jet can generate credits into the program and as that ramps up that will be ripe for analysis. We do have a facility being built in state to produce this fuel and we know there are airports interested in higher utilization of that fuel.

Does the modeling plan to include analysis on the feasibility of the scenarios?

Feasibility means different things to different folks. This is not about what we think is going to happen in the future nor what is economically feasible or cost effective; this is about what will be available to Oregon.

Will there be a modeling of the electricity production increases and electric grid/distribution requirements to meet the EV demand as assumed in the scenarios?

You could look at PUC analysis and investigation into these topics that have been done in state in recent years. We work in coordination with those agencies as we move forward in this rulemaking. The additional load and distribution requirements as well as the CI of electricity and uptake in EVs are involved in this question and will be considered in the scenarios.

When will preliminary ICF modelling be publicly available?

Draft scenario report is where you will see the scenarios put into the report and that will occur in early 2021.

Will the scenarios account for some reduction in deficits as substitute fuels displace petroleum?

Yes, this is a trend we are seeing and will be taken into account in the scenarios.

How will the contribution from project based crediting be modeled in the scenarios?

Please submit comments as far as the indication of the extent and the scope of these kinds of projects and what the potential impacts would be.

Will these scenarios look at the effects of oil price changes and CAFE standards?

The project will use most current version of the VISION model from DOE. This is taken into account from fuel economy changes when it is based on the different sectors using various technologies. This takes an average approach as to fleet types. That is how the project will take into account the fuel economy change over time. It does not look at fuel prices.

Roster of all Zoom participants

First Name	Last Name	Affiliation
Adam	Schubert	
Alec	Shebiel	UEC
Alexandra	Krus	
Alvin	Dunn	Phillips 66
Amina	Foster	Oregon DEQ
Amy	Schlusser	GEI
Annabel	Drayton	Policy Associate, NW Energy Coalition

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Catherine	Gray	Eugene Water and Electric Board
Chloe	Brown	Oregon DEQ
Chris	Nelder	
Christina	Chen	Ramboll
Craig	Palleschi	Suburban Propane
Cory-Ann	Wind	Oregon DEQ
Curtis	Powers	Renewable Energy Group (REG)
Danelle	Romain	Partner, Oregon PUD Association & Oregon Fuels Association
DJ	Builta	Ed Staub and Sons
Dustin	Watson	WA Ecology
Eric	Shierman	Public Utilities Commission
Evan	Neyland	ChargePoint
Evan	Rosenberg	SRECTrade
Floyd	Vergara	National Biodiesel Board
Greg	Alderson	PGE
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Mary	Brazell	Oregon DOT
Mark	Bunch	BP
Mark	Dhile	
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Miles	Heller	
Miles	Pengilly	Forth lobbyist
Montana	Lewellen	
Nicole	Singh	Oregon DEQ
Nikolai	Foreman	
Noah	Bucon	3Degrees
Ralph	Cohen	Prof Engr. OR
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Sarah	Hall	OPUC
Sean	Grimes	Exergy Energy
Sean	Rimes	
Steve	Bond	SeQuential
Stevenson	Giles	Eco-Energy LLC
Todd	Jones	Center for Resource Solutions
Tom	Nilan	
Tom	Van Heeke	General Motors
Vee	Paykar	Climate Solutions

Alternative formats

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