CFP Expansion 2022 - Listening Session
Oregon Clean Fuels Program

Oct. 13, 2021
Webinar
General Webinar Etiquette

• Please set your display name to your name and organization (ie, “Bill Peters, Oregon DEQ”)
• Please stay on mute when you are not speaking
• When you want to speak, use the “Raise Hand” button to get in the queue; if joined by phone, press *9 to raise hand
  – When it is your turn to speak, we will call on you
  – Say your name and affiliation before speaking
• Use the “Chat” only for troubleshooting technical issues
Today’s Agenda

- Introductions
- Updates from DEQ
- Plan for the CFP Expansion 2022 Rulemaking
- Initial Thoughts from DEQ
- Stakeholder Input
- Next Steps
Since 2016, the Clean Fuels Program has...

- Reduced about 5.3 million tons of GHGs on a lifecycle basis
- Met and exceeded the CFP GHG reduction standards every year
- Supported the displacement of about 1 billion gallons of fossil fuels
- Lowered the carbon intensity of ethanol and biodiesel by about 20%
- Increased the blend rate of biodiesel & renewable diesel to about 13%
- Enabled the state’s utilities to invest almost $20 million in EV projects
Implementing the CFP Electricity 2021 Rulemaking

• We have:
  • Issued Updated Electricity Carbon Intensity Values for 2021
  • Added REC-based claims pathway
  • Added new EERs to the reporting system
• Guidance has been issued on:
  – How to Retire Renewable Energy Certificates to Generate Incremental Credits
  – Requesting an EER-adjusted Carbon Intensity Using a Tier 2 Pathway Application
  – Requesting a Biogas-to-Electricity Pathway Using a Tier 2 Pathway Application
  – How to Apply for Advance Crediting Projects
• Still working on:
  • Incremental Credits and the Incremental Aggregator
  • Equity Advisory Committee
  • New Reporting Requirements for Electric Utilities
  • How a Utility Voluntary Green Power Program can Generate Incremental Credits
Implementing Third Party Verification

• We have:
  – Accepted applications for verifiers and verification bodies
  – Completed Verifier Training on the Clean Fuels Program
  – Administered exams
• We are in the process of approving verifiers and verification bodies
• Verification statements are required for 2021 data:
  – Quarterly reporters that generate more than 6,000 credits/deficits
  – Holders of certified fuel pathways that generate more than 6,000 credits/deficits
Illustrative Compliance Scenarios

ICF developed three main scenarios where:

• A – compliance is met primarily through credits generated from electricity associated with the adoption of additional LD and MD/HD ZEV regulations including Advanced Clean Cars for the LD and Advanced Clean Trucks for MD/HD. Biofuels are then used to achieve the remainder of the 20% by 2030 and 25% by 2035 CI reduction targets.

• B – compliance is met through a combination of existing LD ZEV regulations and biofuels to achieve the 20% by 2030 and 25% by 2035 CI reduction targets.

• C – potential CI reduction targets in excess of the 20% by 2030 and 25% by 2035 CI reduction targets are demonstrated by: adding the LD and MD/HD ZEV regulations from Scenario A; maintaining biofuel blending levels from Scenario B; and adding additional consumption of other fuels requiring alternative technologies (i.e., natural gas and hydrogen).
Draft Timeline for this Rulemaking

• 4 - 5 meetings are scheduled between November 2021 and June 2022

• Start of public comment period, issuance of Notice of Proposed Rulemaking: July 2022

• Public hearing, End of public comment period: August 2022

• EQC consideration of rulemaking: September 2022
Extending the Oregon Clean Fuel Standards

Currently adopted standards

Future standards will be set in this rulemaking

Direction in Executive Order #20-04
Other Potential Rulemaking Topics

- Possible addition of new Energy Economy Ratios
- Possible corrections and updates to the models/calculators to calculate carbon intensity
- Other housekeeping changes such as:
  - Clarify language for regulated parties for liquid fuels
  - Clarify language for propane fuel supply equipment
  - Include more process language about deregistration, acquisition by another registered party, etc.
Listening Session

- Provide a balance of speaking time
- Listen to understand and ask questions to clarify
- Respect each other’s viewpoints, values and interests
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Additional written comments will be accepted through Wednesday, Oct. 20, 2021 at: CFP2022@deq.state.or.us