



**THE  
CLIMATE  
TRUST**

Invest with purpose.

# Oregon CO<sub>2</sub> Standard Fourth Five Year Report

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*Submitted to the Energy Facility Siting Council*

**March 2019**

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## Oregon CO<sub>2</sub> Standard Fourth Five Year Report

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### **Forward**

The Climate Trust would like to commend the State of Oregon for having the vision to enact the Oregon Carbon Dioxide Standard over 20 years ago. In addition, we would like to thank the State of Oregon for entrusting us with the critical task of developing carbon offset projects in compliance with the legislation to help mitigate climate change and preserve the environment for generations to come. This report presents a full accounting of our performance administering the Oregon Program, provides insight into policy and market trends that impact our work, and offers recommendations for improving the implementation and environmental benefit of the law.

Lastly we would like to thank Lesley Jantarasami of the Oregon Department of Energy for her feedback and contributions in guiding this report.

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## Executive Summary

In 1997 the State of Oregon took a bold step when it passed the first legislation in the nation to curb carbon dioxide emissions. Called the Oregon Carbon Dioxide Standard, the law requires new fossil-fired energy facilities sited in the state to mitigate its projected carbon dioxide (CO<sub>2</sub>) emissions.

In 1997, The Climate Trust was founded in Oregon as a 501(c)(3) nonprofit organization qualified under the Carbon Dioxide Standard as a compliance pathway. To date, all regulated utilities have chosen to mitigate their carbon pollution through the monetary pathway option with The Climate Trust, entrusting us with approximately \$24,352,903 to purchase emission reductions from projects that avoid, sequester, or displace greenhouse gas emissions.

The Climate Trust first received funds through the Standard in 1999 and as noted in the Standard we are required to produce a report every five years thereafter. The 5-year report is intended to illustrate our performance managing the funds we've received and make any recommendations to changing the Standard for the Energy Facility Siting Council to consider and to decide to recommend to the legislature.

The Climate Trust is proud of its twenty year history managing carbon offsets under this Standard. The key performance metrics we wish to illustrate for Council are:

- *Timeliness* - whereas the Standard provides two years to commit 60% of offset funds into contracts, The Climate Trust has been able to meet this criterion within 15 months on average;
- *Financial Obligation status* - we have committed 62%, or approximately \$15.1 million, of the \$24.3 million in offset purchase funds we've received through the Standard;
- *Oregon Impact*- approximately \$7.8 million in offset purchase funds have been committed to Oregon projects, which is \$0.52 for every \$1 currently committed to an offset project; and
- *Climate Impact*- we have retired 2.4 million metric tons of GHG emissions, which is equivalent to the emissions created by over a half million cars over one year.

While we're proud of our past accomplishments, 2019 marks a year where The Climate Trust is also looking forward with respect to the future of the CO<sub>2</sub> Standard. The Oregon legislature introduced House Bill (HB) 2020, also known as the Clean Energy Jobs bill, which would cap greenhouse gas emissions (GHG). If passed, starting in 2021 this bill would regulate the GHG emissions of the site certificate holders that have paid monetary pathway funds to The Trust. The bill also addresses the CO<sub>2</sub> Standard by sunseting its requirements for site certificate holders, while preserving the requirements The Climate Trust faces as a qualified organization. The Climate Trust is supportive of the introduced bill's provisions with respect to the CO<sub>2</sub> Standard.

Additionally, the bill introduces a new mandate for The Climate Trust to provide a final report the year after the year it has fulfilled its spending requirements under the Standard. This provision directs us to provide a report on our performance and on information Council requests of us. The Climate Trust has

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no objections to producing a final report, but we recommend having a common understanding with Council on the core performance metrics in this report. The Trust anticipates it will be in the mid-2020s when we will have spent all of the funds. Being able to anticipate the performance items that are important to Council ahead of time will inform our data collection, and archival procedures and potentially avoid a scenario where The Trust doesn't have the information that might be of interest to the Council in the final report.

The Climate Trust recommends the following core metrics be covered in the final report to Council:

- a facility by facility list documenting that The Trust spent at least 80% of carbon funds as per Table 1 of the report;
- a list documenting the volume of offset retirements by facility;
- a section that presents data on the dollars spent on offsets on projects and Oregon and the number of offsets we retired from those projects; and
- a project list that documents funds paid, location by state, and offsets retired for each project that received monetary pathway funds from The Climate Trust.

The Trust looks forward to discussing this fourth five-year report and engaging Council on any questions it has on our administration of carbon funds going forward and its perspectives on the proposed core metrics for the final report. The Trust values its role as a qualified organization for the Oregon CO<sub>2</sub> Standard and we remain committed to meeting the outstanding requirements we face, while generating positive economic and environmental impacts for all Oregonians through the continued funding of offset projects.

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## Introduction

The State of Oregon enacted legislation (HB 3283) in 1997 that authorized the Energy Facility Siting Council (EFSC) to adopt carbon dioxide emissions standards for fossil-fueled power plants applying for an energy facility siting certificate.<sup>1</sup> This legislation established The Climate Trust as a qualified organization that energy generating facilities can elect to use to comply with the Oregon Carbon Dioxide (CO<sub>2</sub>) Standard. As a qualified organization, The Climate Trust is required to submit a report to EFSC at five-year intervals beginning on the date it first received funding. Since The Climate Trust received its initial funds in 1999, this marks the fourth five-year report to EFSC.

The report consists of three sections. The first part describes how the Oregon Standard works. The next section focuses on The Climate Trust's performance as a qualified organization and the impact it has had in Oregon and beyond. With the Oregon State Legislature signaling that it intends to pass a bill that would cap greenhouse gas emissions on much of the state's economy, the report also summarizes how the proposed legislation addresses the CO<sub>2</sub> Standard, and The Climate Trust's perspective on the applicable sections of the bill.

## About The Climate Trust

The Climate Trust mobilizes conservation finance to maximize environmental returns. Since its inception in 1997, The Climate Trust has administered Oregon's Carbon Dioxide Standard. In addition, The Trust manages carbon offset acquisition programs for energy companies, corporations, and state and local governments. This includes managing a similar program in Washington state, a voluntary offset program on behalf of NW Natural as well as selling offsets to a number of voluntary corporate buyers and entities that have a compliance reduction commitment under California's greenhouse gas cap and trade program.

Currently, we've committed \$41 million to greenhouse gas (GHG) emission reduction projects, removed almost 4.5 million metric tons of carbon dioxide equivalent (mtCO<sub>2</sub>e) emissions from the atmosphere, and expect to eliminate at least an additional 2 million mtCO<sub>2</sub>e emissions. The current environmental impact of emission reductions in our portfolio is equivalent to 5 million acres of carbon sequestered in forests or one-sixth of the total amount of forested acres in Oregon.

To advance our mission, The Climate Trust created Climate Trust Capital in 2016 with the aim to create a series of private equity style funds that would attract investors to climate mitigation investments. Climate Trust Capital's first fund, Fund I, was launched in October 2016. The \$5.5 million fund is fully invested and includes three innovative projects that used upfront carbon funding to support the

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<sup>1</sup> The statutory authority for the CO<sub>2</sub> standard is found in ORS 469.503. The standards and applicable rules are found in the Oregon Administrative Rules, Chapter 345, Division 24.

purchase of conservation easements for three projects in Wallowa County. The three projects benefit the climate by paying ranchers to agree to not convert their grasslands to croplands for perpetuity.

### How the Oregon CO<sub>2</sub> Standard Works

The Oregon Carbon Dioxide Standard requires new fossil fired facilities to mitigate the plant's projected CO<sub>2</sub> emissions.

Facilities can comply with the Oregon Standard by adopting carbon-mitigating technologies and practices onsite; directly managing (or retaining a third party to manage) a portfolio of offset projects; or providing funding to a state-recognized nonprofit responsible for selecting and managing carbon reduction projects. This third option, resulted in the creation of The Climate Trust, which remains the only organization qualified to administer the Oregon Standard. To date, the Climate Trust has received a total of \$32.2M in monetary pathway payments to select and contract for, monitor and manage, and purchase of carbon offsets.

The criteria for a "qualified organization" are:

- Be a tax-exempt 501(c)(3) nonprofit incorporated in, or authorized to do business in, Oregon;
- Have a seven-person body that makes decisions about the use of the carbon funds chosen in the following way: Three (3) appointed by the Energy Facility Siting Council; Three (3) Oregon residents appointed by an environmental nonprofit organization named by the qualified organization (presently the Northwest Energy Coalition); and One (1) appointed by the applicants for energy facility site certificates;
- Ensure offset funds received under the Oregon Standard result in the direct reduction, elimination, sequestration, or avoidance of carbon dioxide emissions;
- Obligate at least 60 percent of the carbon funds in contracts to implement offsets within two years after construction begins on the energy facility that provided the funds;
- Use at least 80 percent of the carbon funds for contracts to implement offsets; and
- Make available annually a signed opinion of an independent certified public accountant stating that the qualified organization's use of funds conforms to generally accepted accounting procedures.

### Monetary path rate

To date, all new energy facilities have chosen the third option for compliance. Known as the "monetary path," this option allows energy facilities to comply with the Oregon Standard by providing offset funds on a fee-per-ton basis for emissions over a 30-year period that are estimated to exceed those as

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determined by the Standard. This option provides energy facilities with certainty about the cost of compliance and allows them to avoid developing and managing offset projects themselves.

The original monetary path rate was set at \$0.57 per metric ton but allowed EFSC to adjust the price up to 50 percent every two years. The rate was last raised in September 2017, to its current rate of \$2.10 per metric ton.

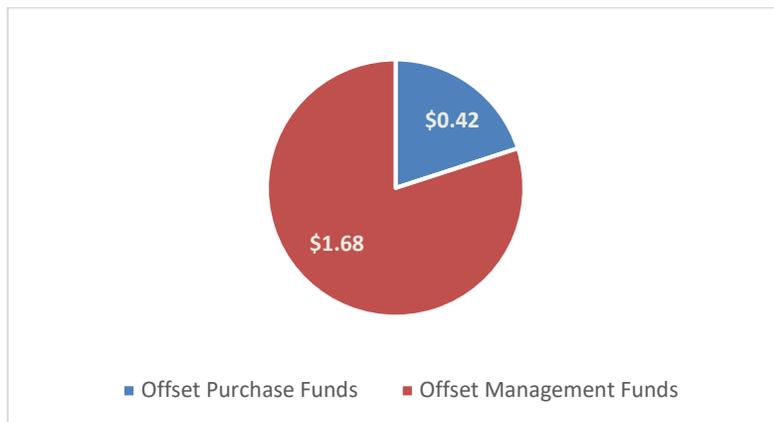
Although the Oregon Standard uses an emissions benchmark equivalent to an emissions rate of 17% below the best available control technology of a natural gas plant, it neither requires a qualified organization, nor does it provide sufficient funding, to offset the full 17 percent of an energy facility's carbon emissions. This is because the monetary pathway acts as a carbon price-based approach for energy facilities to comply with the Standard. This is the same with the two other compliance pathways as the Standard was designed to provide cost-certainty around mitigating GHG emissions prior to the approval and construction of the facility.

The way the monetary path rate is designed precludes a qualified organization from fully offsetting an energy facility's emissions for two reasons:

- Up to twenty percent of carbon funding is set aside to cover the costs of “monitoring, evaluation, administration and enforcement of contracts to implement offsets;” and
- The monetary path rate has not kept pace with market prices.

Twenty percent of the monetary path payment is set aside to manage the offset contracts over their lifetimes, thereby reducing the amount of funds available for offsets to \$0.42 per metric ton at the original monetary path rate and to \$1.68 per metric ton at the current rate. Note that The Trust also receives an additional 5% for selection and contracting costs.

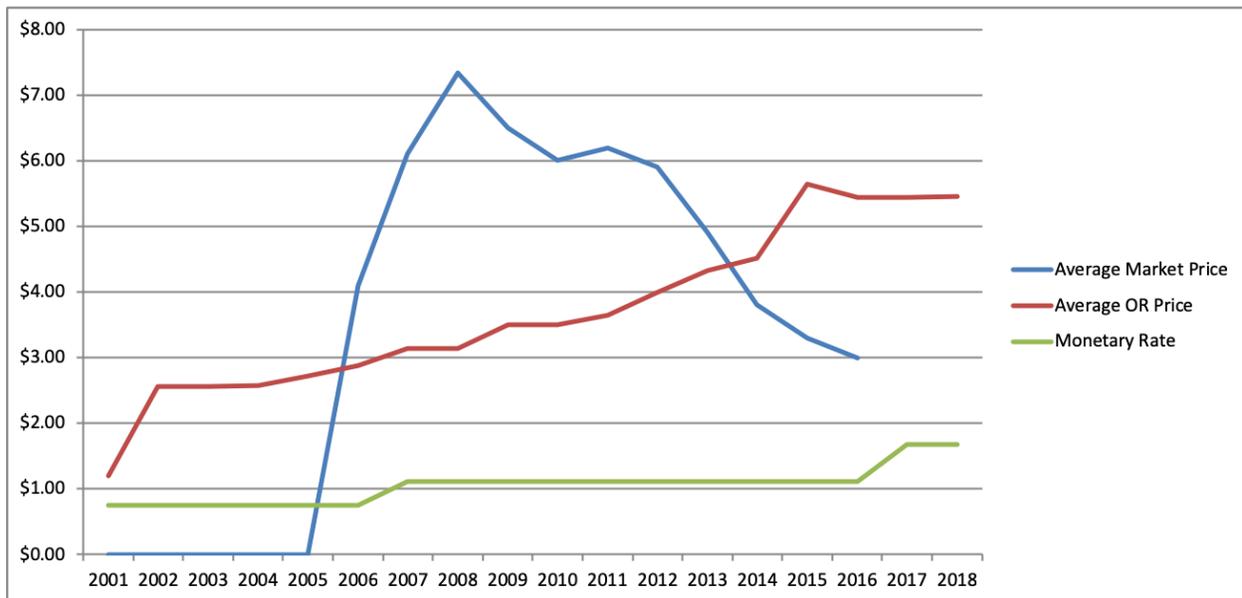
*Figure 1- Breakdown of how current monetary path rate is spent*



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The second reason is that the monetary path rate has never kept pace with market prices. While the current monetary path rate is \$1.68 per metric ton for offset contracts, the majority of the payments we have received were based on monetary pathway prices of \$0.75 per metric ton and \$1.12 per metric ton respectively. The offset price The Climate Trust has been able to negotiate through 2018 averages \$5.45 per metric ton. Although average voluntary prices have been falling for the last several years, the average price for the last year they were tracked in a publicly disseminated report<sup>2</sup> was \$3.00 in 2016. Our average is above the voluntary market average because we focus on projects in or near Oregon and on forestry projects that are newer vintages, whereas a large driver of the average offset price is the sale of several year-old vintages from landfill methane projects in the southern and eastern parts of the country.

Figure 2- Pricing Comparison Chart



Sources: Average Market Price: Ecosystem Market Place and Bloomberg New Energy Finance, State of the Voluntary Carbon Market Reports 2008-2017; Average OR Price: The Climate Trust internal calculations, Monetary Rate: Oregon Carbon Dioxide Standard.

### Offset project requirements

The Oregon Standard defines offsets as “an action that will be implemented by the applicant, a third party or through the qualified organization to avoid, sequester or displace emissions of carbon dioxide.”

<sup>2</sup> Ecosystem Marketplace, 2017, State of the Voluntary Carbon Markets 2017, <https://www.forest-trends.org/publications/unlocking-potential/>.

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Using this definition and best carbon market practices, The Climate Trust acquires offset projects that meet the following requirements:

- Reduce carbon dioxide, methane and nitrous oxide (none of the other three greenhouse gases recognized by the Kyoto Protocol—sulfur hexafluoride, hydrofluorocarbons, and perfluorocarbons—is eligible);
- Are independently verified by a qualified auditor that will determine the volume of verified emission reductions as the basic product delivered to The Climate Trust;
- Are being undertaken voluntarily such that regulatory measures are not resulting in emission reductions, which is also known as regulatory surplus additionality;
- Meet recognized additionality standards such as a common practice test and/or whereby offset revenues help the project to overcome financial, technical, or institutional barriers;
- Unambiguous ownership can be established by the project developer who will also attest in a contract that the offsets are not being double counted and that ownership is transferred to The Climate Trust.

### The Climate Trust's performance

The Trust has received twelve monetary pathway payments and three true up payments over the past fifteen years from five different facility owners. Note that in several cases payments are tied to different units within the same facility or multiple payments for the same unit.

The following four metrics have been used to assess our performance:

1. Timeliness—the rate at which The Trust obligates funds towards offset projects;
2. Financial—the proportion of total funds currently obligated, and remaining funds to be obligated across the facilities that have made monetary payments;
3. Oregon Impact—the extent and impact associated with deploying Oregon Standard funds on offset projects located in Oregon; and
4. Climate Impact—the effect of our project decisions on reducing greenhouse gas emissions and anticipated reductions from our overall Oregon Standard portfolio.

### Timeliness

A key charge of the Oregon Standard is that a qualified organization has two years after the commencement of the construction of the facility to obligate (i.e. enter contractual commitments to spend) at least 60 percent of the Offset Funds<sup>3</sup> it receives for projects. The construction commencement

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<sup>3</sup> Under the Oregon Standard Offset Funds are funds that are reserved for offset projects. The Program, further, allows such funds to be divided as long as at least 80 percent goes to project costs, and up to 20 percent goes to a qualified organization's management of the offset project portfolio and program management.

date for the applicable facility represents the starting point for this criterion. For clarification, this report distinguishes between the two components of offset funds by using the following terms:

- Offset Purchase Funds—The share of offset funds that are used to pay for the offsets delivered to The Trust; and
- Management Funds—The share of offset funds The Trust uses to administer the Oregon Standard and the offset project contracts that make up the Oregon Standard portfolio.

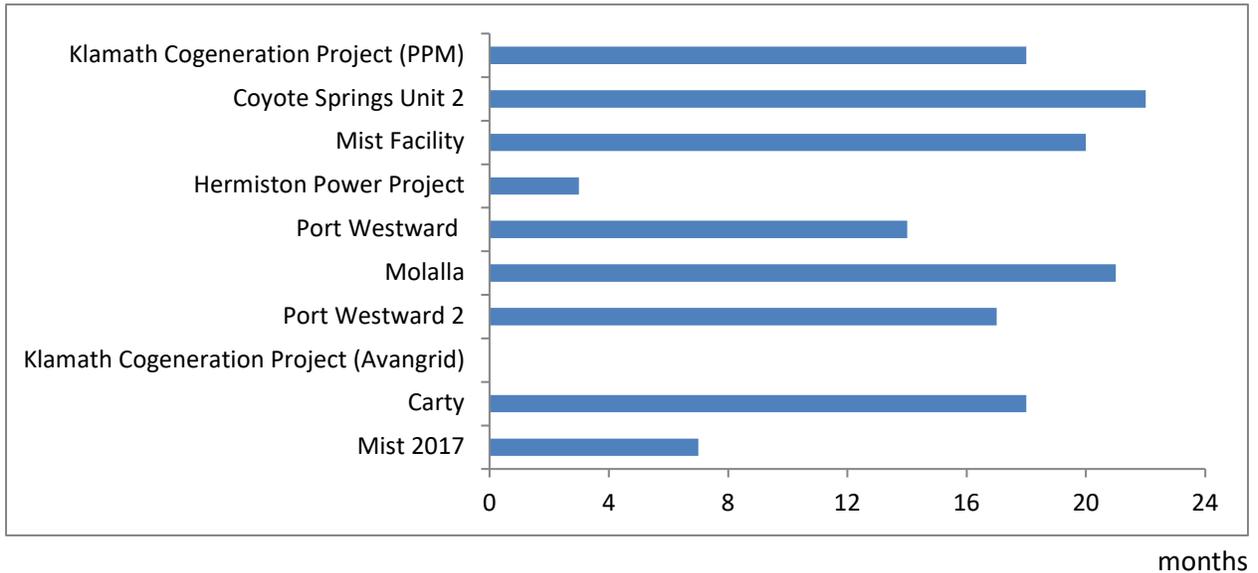
The reasoning behind this charge (two years to obligate) is to ensure the timely implementation of commitments to emission reduction projects. The trade-off of this mandate is that it may undercut the incentive for a qualified organization to seek the lowest price for offsets.

It is worth noting that this is a static requirement and once a qualified organization has met the 60 percent standard, it remains met even if the percent of obligated funds falls below 60 percent. This scenario occurs when contracts subsequently underperform or are terminated early, which results in a deobligation (offset funds that were committed via an Emission Reduction Purchase Agreement are reallocated to an unobligated status, due to under-performance or non-performance) of funds. Such subsequent decreases in project performance are generally beyond the control of the qualified organization.

Figure 3 illustrates the number of months it has taken The Trust to adhere to the 60 percent criterion. Note one exception to this criterion is the Klamath Cogeneration Project (Avangrid). This facility is exempt from the 60 percent criterion because the facility was the first and only with a carbon mitigation commitment that pre-dated the legislative standard and the establishment of The Trust. Avangrid, with EFSC's approval, made a monetary payment to The Trust in 2008 as a contingency measure after Avangrid requested transferring its long-standing CO<sub>2</sub> obligation to The Trust. Given this unique scenario, The Trust was not required to meet the 60 percent criterion for this facility. To date, The Trust has met the 60% requirement for each eligible facility.

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Figure 3- Facility by Facility 60% Funding Criterion



On average for the facilities where the criterion has been met, it has taken The Trust approximately 15.5 months.

## Financial

During our nearly 22-year tenure as a qualified organization, The Trust has received over \$24.3 million dedicated to the acquisition of offsets (excluding the share of Offset Funds that is allocated for management purposes). This section examines The Trust’s performance obligating the offset purchase funds received and the track record of providing upfront funding to offset projects. The facility funding status with regards to carbon funding, amounts obligated, and amounts available is illustrated in Table 1. Note that the obligated funds amount is automatically set to 80% of the carbon funding figure because under the CO<sub>2</sub> Standard regulations The Trust is required to spend *at least* 80% of the carbon funding we received.

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*Table 1- Facility by Facility Funding Status*

Site Certificate Holder	Facility	Offset Purchase Funding	Obligated Funds	Unobligated Funds
Avangrid	Klamath Cogen (PPM)	\$1,592,845	\$1,594,804	\$0
Avangrid	Klamath Cogen (Avangrid)	\$2,649,222	\$265,223	\$2,383,999
Avista	Coyote Springs	\$2,114,477	\$1,501,333	\$613,144
Calpine	Hermiston	\$3,722,321	\$2,530,154	\$1,192,167
NW Natural	Mist	\$18,855	\$18,857	\$0
NW Natural	Mollala	\$26,913	\$26,915	\$0
NW Natural	Mist 2017	\$42,551	\$42,553	\$0
Portland General Electric	Port Westward	\$4,320,452	\$3,243,419	\$1,077,033
Portland General Electric	Port Westward 2	\$3,532,388	\$1,322,105	\$2,210,283
Portland General Electric	Carty	\$6,332,879	\$4,551,645	\$1,781,234
<b>Total</b>		<b>\$24,352,903</b>	<b>\$15,097,008</b>	<b>\$9,257,860</b>

Additionally, The Climate Trust has entered into two put option commitments totaling \$4.7 million. A put option agreement gives the holder of offsets the right, but not the obligation, to sell them to the buyer at a pre-determined price. Both of these commitments are associated with two different United States Department of Agriculture grants awarded to The Climate Trust to stimulate the provision of conservation finance to carbon offset projects in the agriculture and forestry sectors. The Trust discussed each grant previously before Council when we've provided annual progress updates. Part, or all, of the agreement amount could be met with the remaining unobligated funds we've received through the Oregon CO<sub>2</sub> Standard.

### **Oregon Impact**

The Climate Trust has entered into 18 project commitments that are located in Oregon. The Trust makes every possible effort to commit as many offset purchase funds to Oregon-based projects. Even though greenhouse gases are a global pollutant and the statute regulating the Oregon Standard does not stipulate any geographic limitation to offsets, we are committed to supporting Oregon's economy and environment whenever possible.

The Trust has committed \$7,886,102 in Oregon Standard purchase funds to Oregon-based offset projects. In other words, \$0.52 of every dollar we've committed with Oregon Standard funds is for Oregon projects. Collectively, these projects, which are located throughout the state have reduced

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1,201,641 metric tons of CO<sub>2</sub>-e, which is equivalent to offsetting the emissions from the annual energy use from approximately 143,000 homes.

### Climate Impact

The Climate Trust has provided Oregon Standard funding to 38 projects. Although several of those projects are terminated, we have retired over 2.4 million offsets, which is equivalent to offsetting the emissions from the annual energy use from approximately 288,000 homes.

The Oregon Standard portfolio is anticipated to offset 3,044,428 metric tons of carbon dioxide over the project lifetimes. That is the equivalent of offsetting the emissions from the annual energy use from approximately 365,000 homes.

*Table 2- Offset Status by Facility*

Site Certificate Holder	Facility	Contracted Offsets Total (mtCO <sub>2</sub> e)	Retired Offsets (mtCO <sub>2</sub> e)	Pending Offsets (mtCO <sub>2</sub> e)
Avangrid	Klamath Cogen (PPPM)	290,023	236,744	53,729
Avangrid	Klamath Cogen (Avangrid)	88,874	88,874	0
Avista	Coyote Springs	505,644	479,479	26,165
Calpine	Hermiston	632,339	577,048	55,291
NW Natural	Mist	3,462	3,462	0
NW Natural	Mollala	4,783	4,783	0
NW Natural	Mist 2017	9,054	9,054	0
Portland General Electric	Port Westward	701,729	436,193	265,536
Portland General Electric	Port Westward 2	202,758	182,758	20,000
Portland General Electric	Carty	549,660	390,926	158,734
<b>Total</b>		<b>2,988,326</b>	<b>2,409,231</b>	<b>579,005</b>

## The Future of the CO<sub>2</sub> Standard

The Oregon legislature has debated establishing a carbon pricing market by capping GHG emissions covering approximately 80% of the economy (see inset) in its last several legislative sessions. Passing a bill that caps statewide GHG emissions is one of the top legislative priorities in the 2019 Oregon Legislative session.

The current legislation, also known as the Clean Energy Jobs bill, is House Bill (HB) 2020.<sup>4</sup> This bill contains sections that would sunset the CO<sub>2</sub> Standard for current and future site certificate holders, but would continue certain requirements for The Climate Trust until we've spent at least 80 percent of all of the carbon funds we've received to date and submit a final report the year after the year in which we've spent all of the funds.

### What is Cap and Trade

Cap-and-trade is a quantity-based approach for reducing greenhouse gas emissions. A cap or quantity ceiling is placed on regulated sectors and declines over time. Businesses subject to a cap can then secure allowances by buying them through government auctions or on the secondary market. Entities that pollute less are able to sell allowances to those who pollute more; this is the "trade" portion of the name. Since it is not practical or desirable to cap every sector of the economy (e.g. forests, agriculture) uncapped sectors could be eligible to generate offsets, which serves primarily as a cost containment mechanism.

If passed as introduced, current site certificate holders would not be obligated to report actual emissions to EFSC and make any true up payments to The Trust. Meanwhile, proposed energy facilities would be subject to comply with HB 2020. The Climate Trust's administration of monetary pathway funds would continue to be overseen by EFSC. Specifically, The Trust would still be required to:

- provide an annual audited financials report to the Council;
- produce five-year program status reports to the Council; and
- obligate and spend at least 80% of carbon funds on offset projects.

Additionally, Section 58(1)(c) of HB 2020 would direct The Trust **"the year after the year that the qualified organization is no longer involved in the investment of offset funds received pursuant to ORS 469.503 (2)(c)(C) (2017 Edition), provide the Energy Facility Siting Council with the information the council requests about the qualified organization's performance."**

The Trust supports all of the provisions of HB 2020 that address the CO<sub>2</sub> Standard. These sections clarify that we continue to face our original commitments and requirements around the use of offset funds and will do so under the continued oversight of EFSC.

<sup>4</sup> The current version can be found here:

<https://olis.leg.state.or.us/liz/2019R1/Downloads/MeasureDocument/HB2020>. Accessed on February 10, 2019.

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However, Section 58(1)(c) is open ended with respect to the contents of the final report The Trust is required to provide to Council. While such flexibility is warranted, The Trust recommends that it and Council reach a common understanding on the core metrics that will make up the final report. The Trust anticipates that it will not spend its last offset funds dollar until some point in the mid-2020s. Therefore, developing an upfront understanding on base elements of our performance is important as it will inform what aspects of our performance are most important to EFSC. Additionally, this will help to avoid a scenario where Council makes a subsequent request for the final report that The Trust cannot meet because of lack of earlier clarity. To this end, The Trust recommends the following core metrics to cover in the final report, in addition to any other metrics requested by Council:

- facility by facility list documenting that The Trust spent at least 80% of carbon funds as per Table 1 of the report;
- a list documenting the volume of offset retirements by facility;
- data on the dollars spent on offsets on projects in Oregon and the number of offsets we retired from those projects; and
- project list that documents amount funds paid, name of funds recipient, location by state, type of project (e.g., agriculture, forestry, etc.) and the number of offsets retired for each project that received monetary pathway funds from The Climate Trust.

The above information is currently housed in The Climate Trust's internal program and project tracking registry. This internal registry will be the primary source of data to inform the core metrics listed above that The Trust proposes be in the final report.

### In closing

The Climate Trust values the opportunity to provide EFSC a summary of our performance administering monetary pathway payments and making any recommendations for it to consider on improving the function of the CO<sub>2</sub> Standard. The key performance metrics to date are:

- *Timeliness* - whereas the Standard provides two years to commit 60% of offset funds into contracts The Climate Trust met this criterion within 15 months on average;
- *Financial Obligation status*- we have committed 62% of or approximately \$15.1 million of the \$24.3 million in offset purchase funds we've received through the Standard;
- *Oregon Impact*- approximately \$7.8 million in offset purchase funds have been committed to Oregon projects, which is \$0.52 for every \$1 currently committed to an offset project; and
- *Climate Impact*- we have retired 2.4 million metric tons of GHG emissions, which is equivalent to the emissions created by over a half million cars over one year.

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The Climate Trust supports how House Bill 2020 introduced in the 2019 Legislative Session addresses the CO<sub>2</sub> Standard. The bill clarifies that site certificate holders have no future CO<sub>2</sub> emission obligations under the Standard, while preserving the requirements The Trust must meet as a qualified organization for a specified period of time. The new requirement of producing a final report to Council the year after we have spent all of the carbon funds is a sensible addition to the CO<sub>2</sub> Standard. The Climate Trust recommends that it and Council have a common understanding of the core performance metrics in the final report. We recommend those core metrics present data and information:

- illustrating that we've spent at least 80% of the offset funds received by each facility;
- showing the amount of dollars spent on Oregon projects and the climate impacts those projects produced;
- on each project that received funds and the volume of retirements for each project.

The Trust looks forward to discussing this fourth five-year report and engaging Council on any questions it has on our administration of carbon funds going forward and its perspectives on the proposed core metrics for the final report. The Trust values its role as a qualified organization for the Oregon CO<sub>2</sub> Standard and we remain committed to meeting the outstanding requirements we face, while generating positive economic and environmental impacts for all Oregonians through the continued funding of offset projects.