

# Oregon Clean Fuels Program

## Preliminary Workplan to Expand Oregon's Clean Fuels Program

Webinar

May 22, 2020

# Report to the Governor's Office

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- The report/workplan to Expand the Clean Fuels Program can be found at: [www.oregon.gov/deq/FilterDocs/CFPWorkplanforProgramExpansion.pdf](http://www.oregon.gov/deq/FilterDocs/CFPWorkplanforProgramExpansion.pdf)
- The workplan provides a high-level summary and proposed timeline for the steps that will be taken.
- The intent of this webinar is to provide CFP stakeholders with an initial opportunity to walk through this process including what is in scope, the timeline, and the opportunities for public engagement.

# Executive Order 20-04

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In her executive order, Governor Brown directed the Clean Fuels Program to:

- Amend and extend our low carbon fuel standards towards goals of 20% below 2015 levels by 2030 and 25% below by 2035
- Advance methods accelerating the generation and aggregation of clean fuels credits by utilities that can advance transportation electrification goals

[https://www.oregon.gov/gov/Documents/executive\\_orders/eo\\_20-04.pdf](https://www.oregon.gov/gov/Documents/executive_orders/eo_20-04.pdf)



# Develop Contracts for Technical Analyses

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- These contracts are designed to provide foundational information for the EQC and participants in the rulemaking process.
- There will be 2 contracts for these analyses
- Collaborate with a multi-agency team beginning Q3 2020.

# Study #1 – Expanding the program

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- This study will focus on:
  - multiple scenarios that describe ways that the fuels market could achieve the targets in EO 20-04
  - evaluating potential areas of new credit generation
- Tentatively scheduled for Q4 2020 through Q1 2021
- DEQ expects to hold two meetings related to this effort:
  - one to receive input on the design of the illustrative scenarios for how Oregon's fuels market could change to meet the expanded targets outlined in EO 20-04
  - a second meeting to receive feedback on the initial results of the consultant report

# Study #2 – Health & Social Impacts

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- This study will focus on assessing the impacts of these scenarios on tailpipe emissions and associated changes in social and health costs.
- Tentatively scheduled for Q1 2021.
- DEQ expects to hold at least one meeting to receive input on a draft of this study.

# Program Review to Legislature

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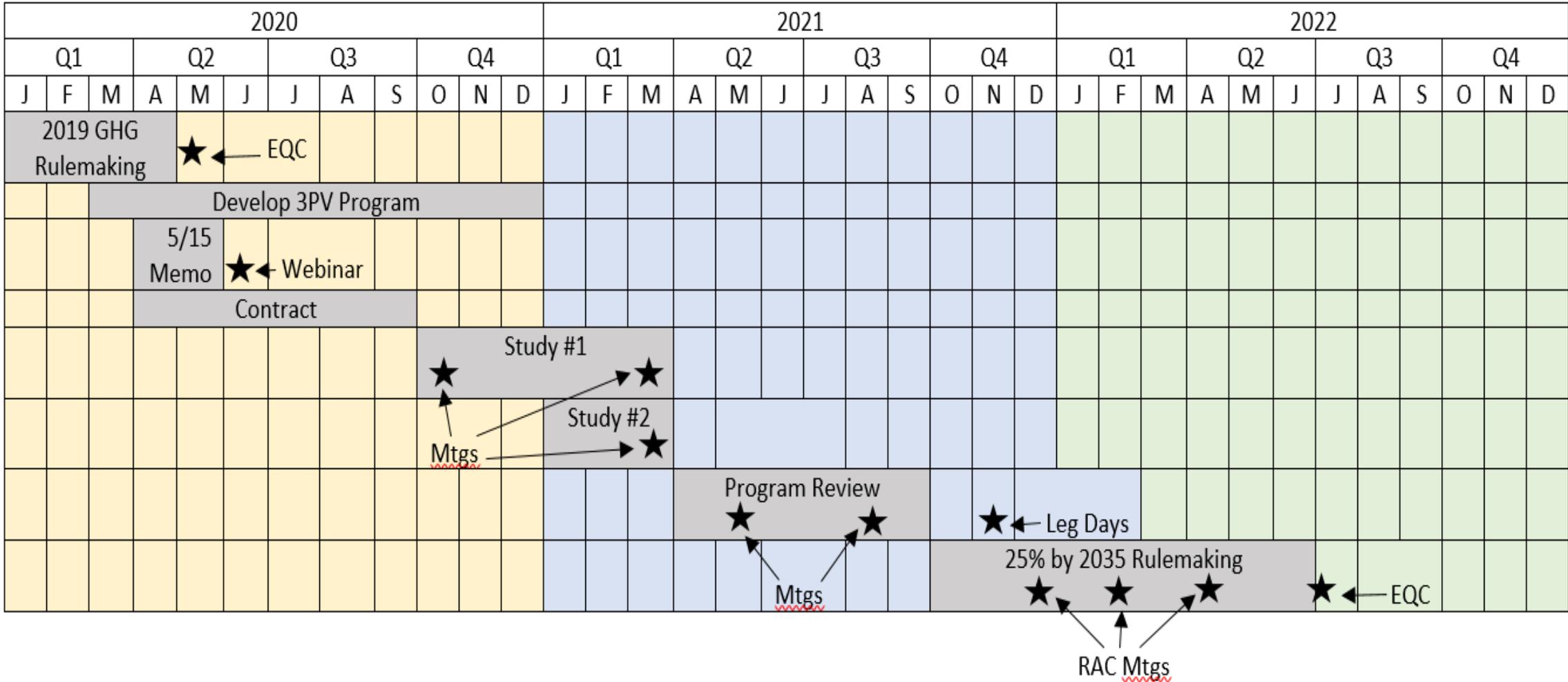
HB 2017 (2017) requires DEQ to submit a Clean Fuels Program Review to the Oregon legislature by Feb. 1, 2022 that reviews the following:

- Progress towards achieving 10% below 2010 levels by the year 2025
- Environmental, economic, health and other benefits realized
- Projected availability of low carbon fuels and credits through the year 2025
- Additional mechanisms that may be necessary to manage and contain the costs of compliance with the low carbon fuel standards
- Whether adjustments to the low carbon fuel standards are necessary
- The effects of the maximum price for credits in the credit clearance market
- Adjustments that could serve to strengthen and enhance the low carbon fuel standards

# 25% by 2035 Rulemaking

- After all of the steps above are completed, the formal rulemaking to Expand the CFP will begin.
- This process will likely include at least 3 meetings of a rules advisory committee, with consideration by the EQC tentatively targeted for July 2022 with a Jan. 1, 2023 effective date.
- The scope of the rulemaking will include at least the following issues:
  - A set of proposed program options to support reductions of 20% by 2030 and 25% by 2035, informed by the results of the studies and the program review.
  - Options for the “slope of the reduction curve” and how annual standards will be set through 2035.
  - The fiscal, economic, health and social impacts of the proposed program expansion.

# Preliminary Timeline



# Executive Order 20-04

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In her executive order, Governor Brown directed the Clean Fuels Program to:

- Amend and extend our low carbon fuel standards towards goals of 20% below 2015 levels by 2030 and 25% below by 2035
- Advance methods accelerating the generation and aggregation of clean fuels credits by utilities that can advance transportation electrification goals of Senate Bill 1044 (2019)

[https://www.oregon.gov/gov/Documents/executive\\_orders/eo\\_20-04.pdf](https://www.oregon.gov/gov/Documents/executive_orders/eo_20-04.pdf)

# Senate Bill 1044 (2019)

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The transportation electrification goals set forth in Senate Bill 1044 (2019):

- (A) By 2020, 50,000 registered motor vehicles will be zero-emission vehicles;
- (B) By 2025, at least 250,000 registered motor vehicles will be zero-emission vehicles;
- (C) By 2030, at least 25 percent of registered motor vehicles, and at least 50 percent of new motor vehicles sold annually, will be zero-emission vehicles; and
- (D) By 2035, at least 90 percent of new motor vehicles sold annually will be zero-emission vehicles.

# Electricity Rulemaking

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- This work will begin in Q3 2020.
- The scope of this rulemaking is specific to Section 4b of EO 20-04.
- Tentatively scheduled for consideration by the EQC in March of 2021.
- In order to meet the tight timelines, DEQ will prioritize issues where there are higher levels of consensus - leaving other issues for further discussion and potential inclusion in the larger rulemaking.

# Proposed Timeline

| DEQ/EQC Preliminary Workplan for Expanding the Clean Fuels Program |      |   |   |              |             |   |                        |   |   |          |   |   |         |   |   |                |   |   |    |   |   |    |   |   |      |   |   |    |   |   |    |   |   |    |   |   |  |  |  |
|--|------|---|---|--------------|-------------|---|------------------------|---|---|----------|---|---|---------|---|---|----------------|---|---|----|---|---|----|---|---|------|---|---|----|---|---|----|---|---|----|---|---|--|--|--|
|  | 2020 |   |   |              |             |   |                        |   |   |          |   |   | 2021    |   |   |                |   |   |    |   |   |    |   |   | 2022 |   |   |    |   |   |    |   |   |    |   |   |  |  |  |
|  | Q1   |   |   | Q2           |             |   | Q3                     |   |   | Q4       |   |   | Q1      |   |   | Q2             |   |   | Q3 |   |   | Q4 |   |   | Q1   |   |   | Q2 |   |   | Q3 |   |   | Q4 |   |   |  |  |  |
|  | J    | F | M | A            | M           | J | J                      | A | S | O        | N | D | J       | F | M | A              | M | J | J  | A | S | O  | N | D | J    | F | M | A  | M | J | J  | A | S | O  | N | D |  |  |  |
| 1  |      |   |   | 5/15<br>Memo | ★ ← Webinar |   |                        |   |   |          |   |   |         |   |   |                |   |   |    |   |   |    |   |   |      |   |   |    |   |   |    |   |   |    |   |   |  |  |  |
| 2  |      |   |   | Contract     |             |   |                        |   |   |          |   |   |         |   |   |                |   |   |    |   |   |    |   |   |      |   |   |    |   |   |    |   |   |    |   |   |  |  |  |
| 3  |      |   |   |              |             |   | Electricity Rulemaking |   |   |          |   |   | ★ ← EQC |   |   |                |   |   |    |   |   |    |   |   |      |   |   |    |   |   |    |   |   |    |   |   |  |  |  |
| 4  |      |   |   |              |             |   |                        |   |   | Study #1 |   |   |         |   |   |                |   |   |    |   |   |    |   |   |      |   |   |    |   |   |    |   |   |    |   |   |  |  |  |
| 5  |      |   |   |              |             |   |                        |   |   |          |   |   |         |   |   | Study #2       |   |   |    |   |   |    |   |   |      |   |   |    |   |   |    |   |   |    |   |   |  |  |  |
| 6  |      |   |   |              |             |   |                        |   |   |          |   |   |         |   |   | Program Review |   |   |    |   |   |    |   |   |      |   |   |    |   |   |    |   |   |    |   |   |  |  |  |
| 7  |      |   |   |              |             |   |                        |   |   |          |   |   |         |   |   |                |   |   |    |   |   |    |   |   |      |   |   |    |   |   |    |   |   |    |   |   |  |  |  |
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# Questions?

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