
March 30, 2023

TO: Leah Feldon, Director

FM: Office of Greenhouse Gas Programs

RE: Proposed Order distributing 2023 compliance instruments to covered fuel suppliers under the Oregon Climate Protection Program, Oregon Administrative Rules, chapter 340, division 271

Purpose

For the purposes of completing the prescribed annual distribution of compliance instruments to covered fuel suppliers as set forth in OAR chapter 340, division 271, the Office of Greenhouse Gas Programs is requesting that the Director approve an order specifying the number of 2023 compliance instruments to be received by each covered fuel supplier from the annual distribution no later than March 31, 2023.

Recommendation

The Office of Greenhouse Gas Programs recommends that the Director approve the proposed order, attached to this report.

Background

The reasons for this proposed order are described in the findings in the order.

Attachments

A. Proposed Order

Order Distributing 2023 Compliance Instruments to Covered Fuel Suppliers
 Under OAR 340-271-0420

BEFORE THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY

In the matter of distributing 2023 compliance instruments)
 To covered fuel suppliers) FINDINGS and
 As required by OAR 340-271-0420) ORDER

Findings

This order implements the responsibilities given to the Oregon Department of Environmental Quality (DEQ) by Oregon Administrative Rule chapter 340, division 271. Section 0420 of that regulation specifies the methodology by which DEQ shall annually distribute compliance instruments to covered fuel suppliers in the Oregon Climate Protection Program. Per OAR 340-271-0420(2), DEQ will distribute the number of compliance instruments stated in Table 4 in OAR 340-271-9000 to each covered fuel supplier that is a local distribution company. Per OAR 340-271-0420(3), DEQ will hold a number of compliance instruments in reserve, equal to the amount stated in Table 3 in OAR 340-271-9000. Per OAR 340-271-0420(4)(b)(A), DEQ will distribute a number of compliance instruments to covered fuel suppliers that are not a local distribution company based on the following formula (and using the term definitions provided in that rule):

$$\text{Number of Compliance Instruments} = \text{Total compliance instruments to distribute} * ([\text{Covered fuel supplier covered emissions} + \text{covered fuel supplier biofuel emissions}] / \text{Total emissions})$$

Emissions for the 2023 compliance distribution are calculated using data from the Greenhouse Gas Reporting Program, OAR chapter 340, division 215, for the evaluation period of 2019 through 2021, as provided in OAR-340-271-9000 (Table 5). Per OAR 340-271-0420(3), DEQ distributed 400,000 compliance instruments for 2022 from the compliance instrument reserve. For 2023, DEQ will hold 800,000 compliance instruments in reserve as stated in Table 3 in OAR 340-271-9000. The total number of compliance instruments to distribute in 2023 was determined as follows, as provided in OAR 340-271-0420(4)(b)(B)(i):

Calculation of Total Compliance Instruments to Distribute		OAR 340- 271
A – 2023 Cap	27,001,283	OAR 340-271-9000 Table 2
B – 2023 Reserve Size	800,000	OAR 340-271-9000 Table 3
C – Local Distribution Companies 2023 Compliance Instrument Distribution	6,929,857	OAR 340-271-9000 Table 4
D – Non-Local Distribution Company Compliance Instruments to Distribute	19,271,426	D = A - B - C

Order

As provided in OAR 340-271-0420(2), DEQ has determined to distribute the following number of compliance instruments to the three covered fuel suppliers that are local distribution companies, as stated in Table 4 in OAR 340-271-9000:

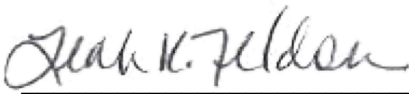
Local Distribution Company	2023 compliance instruments to distribute
Avista Utilities	676,320
Cascade Natural Gas Corporation	715,103
Northwest Natural Gas Company	5,538,434
Total	6,929,857

As provided in OAR 340-271-0420(4), DEQ has determined to distribute the following number of compliance instruments to seventeen covered fuel suppliers that are not local distribution companies:

Covered Fuel Supplier	2023 compliance instruments to distribute
Associated Petroleum Products Inc.	145,951
BP Products North America, Inc.	2,965,372
Campo & Poole Distributing, LLC	97,046
Carson Oil Co., Inc., dba Carson	141,324
Chevron Products Company	2,439,510
Conrad & Bischoff	11,517
Elbow River Marketing USA Ltd.	98,984
Equilon Enterprises LLC	3,712,418
Idemitsu Apollo Corporation	238,441
Jacksons Food Stores Inc.	66,649
Marathon Petroleum Company LP	3,299,034
P C Energy, LLC	26,750
Phillips 66 Company	5,075,189
REG Marketing & Logistics Group, LLC	132,774
Shell Trading (US) Company	254

Space Age Fuel. Inc.	818,919
World Fuel Services, Inc.	1,285
Total	19,271,417

Dated: 03/31/2023

By: 
Leah Feldon
Director
Oregon Department of Environmental Quality