

# Climate Protection Program 2022 Temporary Rulemaking

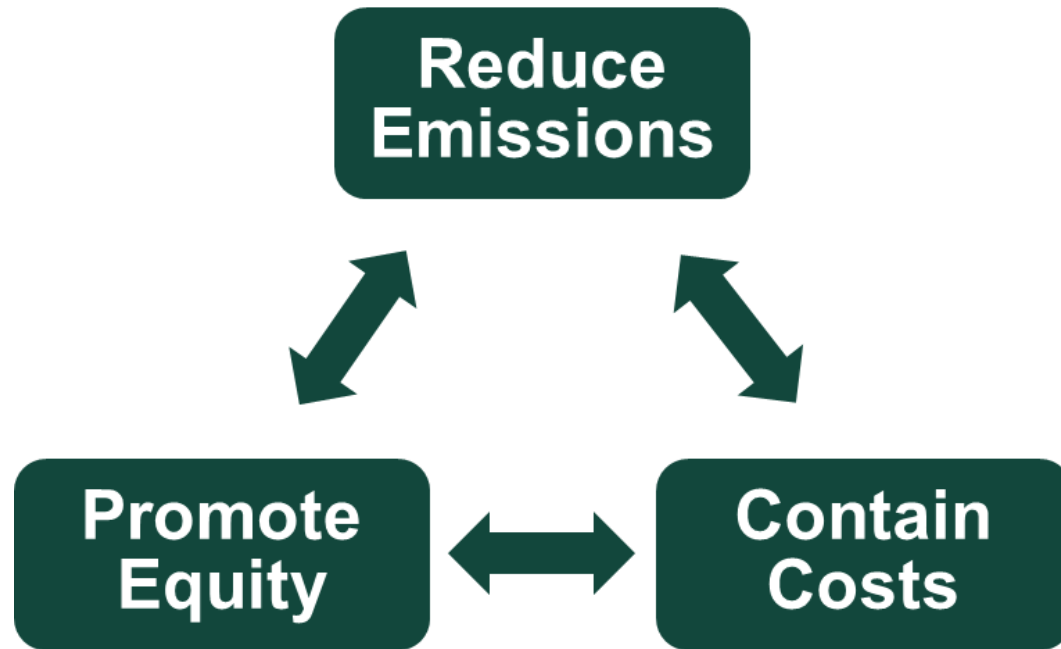
Colin McConnaha and Nicole Singh

Nov. 17, 2022, EQC meeting  
Item B (Action)

# CPP 2022 Temporary Rulemaking

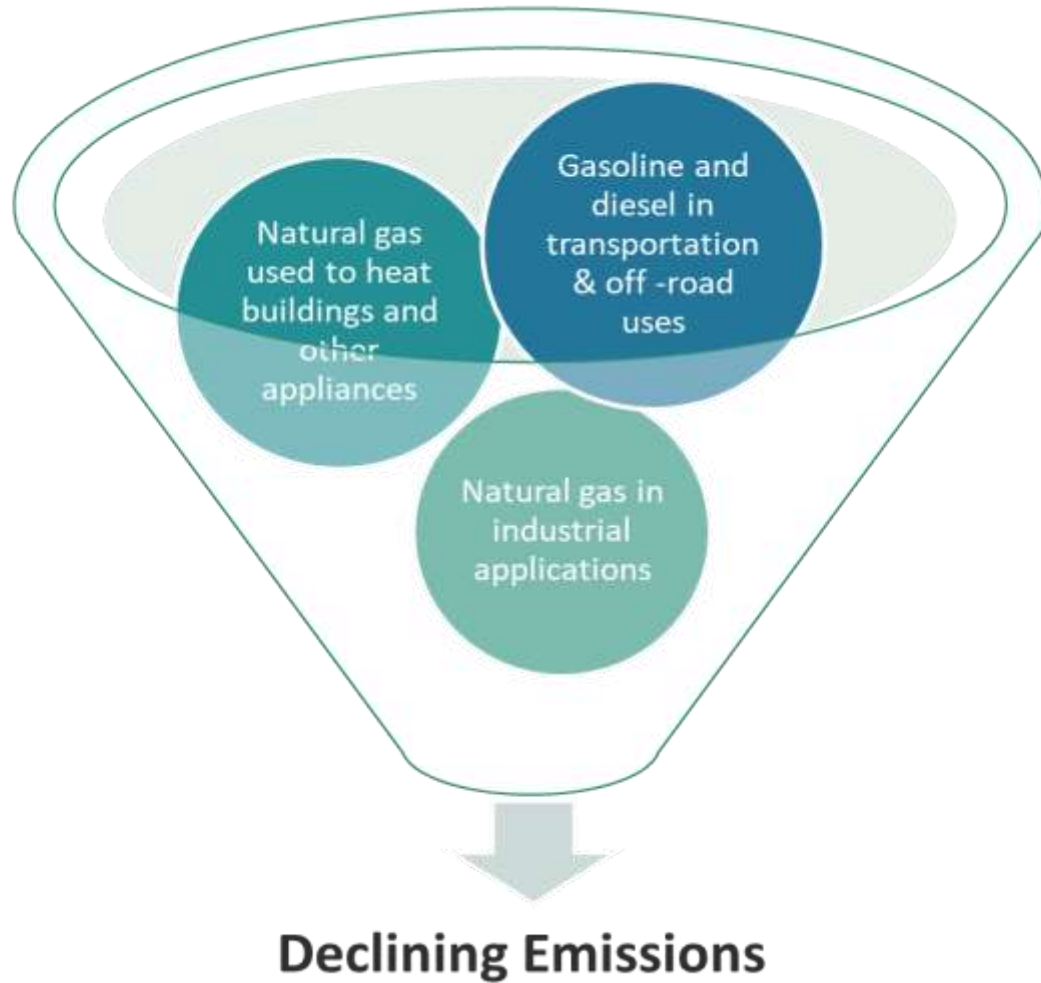
- Refresh of Climate Protection Program
- Issue identified by DEQ staff that requires immediate action
- Justification
- Public comment and proposed rule amendment
- Recommendation to the EQC

# Climate Protection Program: Purpose and Scope



*Environmental justice communities include communities of color, communities experiencing lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure*

# Climate Protection Program: Purpose and Scope

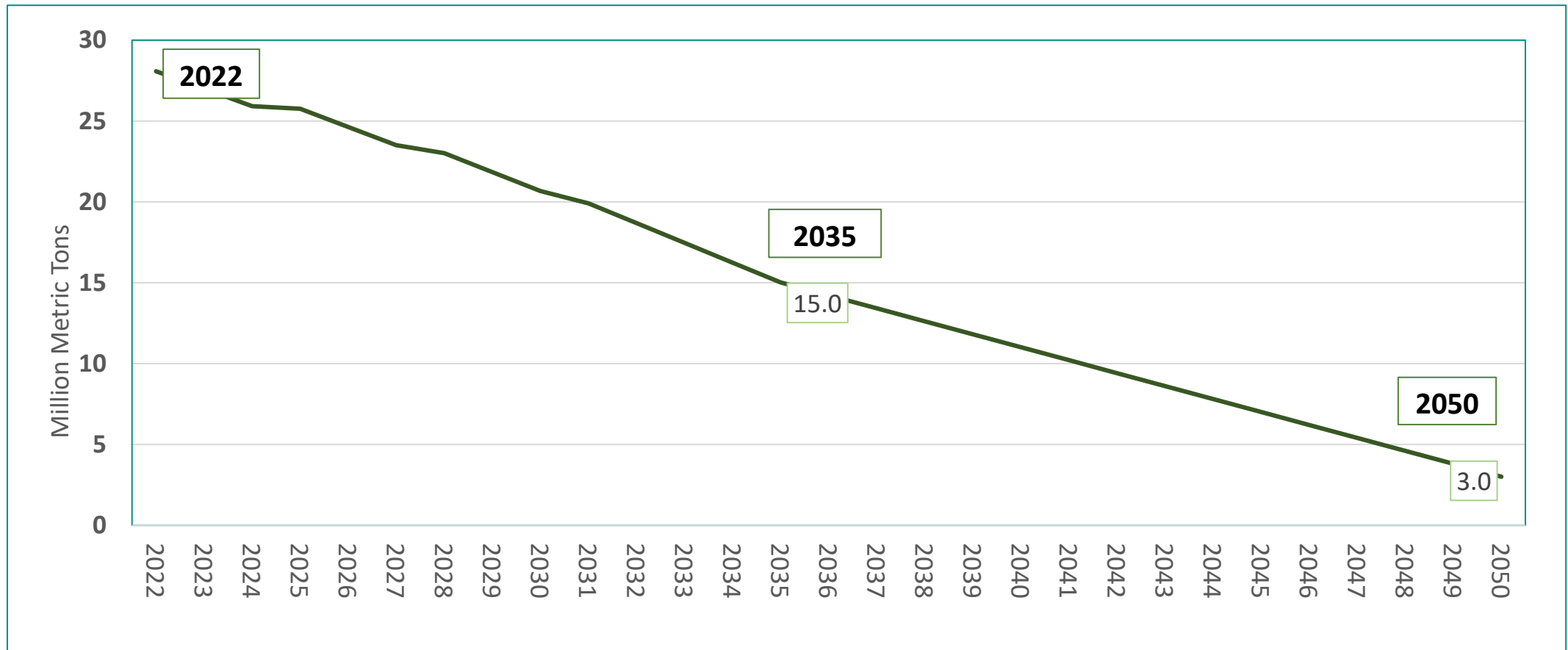


- Mandatory limits on greenhouse gas emissions from fossil fuels
  - Residential
  - Commercial
  - Industrial
- Covers nearly all uses of fossil fuels in Oregon, except electricity generation

# Climate Protection Program: Cap

50% emissions reduction by 2035

90% emissions reduction by 2050



# Climate Protection Program: Covered Entities

## Covered Entities

### Covered Fuel Suppliers

Suppliers of fuels other than natural gas (gasoline, diesel, propane, kerosene)

Local Distribution Companies (Natural gas utilities)

### Covered Stationary Sources

# Climate Protection Program: OAR 340-271-0110(4)(b)

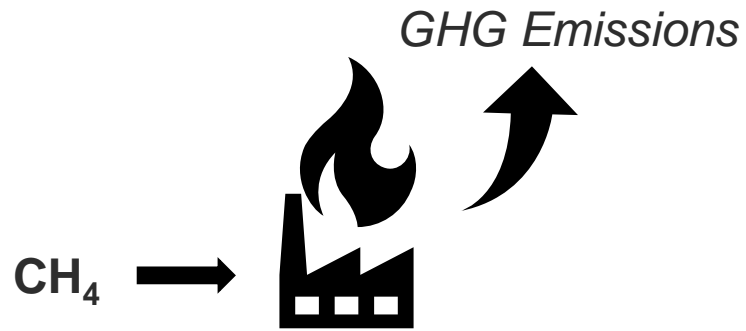
(A) Covered emissions include emissions of anthropogenic greenhouse gases in metric tons of CO<sub>2</sub>e that would result from the complete combustion or oxidation of the annual quantity of natural gas imported, sold, or distributed for use in this state.

(B) Covered emissions do not include:

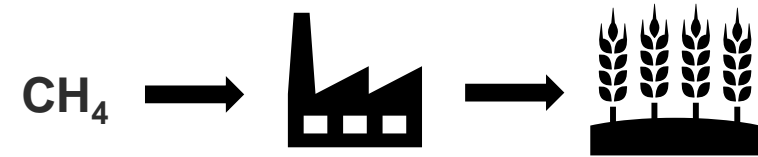
- (i) Emissions that are from the combustion of biomass-derived fuels;
- (ii) Emissions described in 40 CFR part 98 subpart W – Petroleum and Natural Gas Systems;
- (iii) Emissions that result from non-combustion-related processes that use natural gas, as determined by DEQ; and
- (iv) Emissions from natural gas delivered to an air contamination source that is an electric power generating plant with a total nominal electric generating capacity greater than or equal to 25 megawatts.

# Processes Using Natural Gas

## Combustion



## Oxidation process (non combustion) GHG emissions captured and stored



## Oxidation process (non combustion) Emissions released to atmosphere





# CPP 2022 Temporary Rulemaking: Justification

- Failing to act promptly will result in serious prejudice to the interests of local distribution companies and parties contemplating business investments
- Critical for local distribution companies to have a clear understanding of their covered emissions and compliance obligations
- Local distribution companies and their industrial customers require certainty to develop cost-effective compliance strategies and implement appropriate business decisions

# Public Comment

- Public meeting on October 24
  - ❑ 13 individuals provided comment
- Requested written comments by October 31
  - ❑ 132 written comments
- Main themes
  - ❑ Temporary rulemaking is needed – significant majority of 145 comments
  - ❑ Several comments that temporary rulemaking not needed since DEQ has discretion
  - ❑ Several comments raised concern that the proposed change could unintentionally limit innovative ways to reduce emissions
    - Specifically carbon capture and storage
    - *Final proposed language was modified to address this concern*

# Final Proposed Rule Amendment: 340-271-0110(4)(b)

(A) Covered emissions include emissions of anthropogenic greenhouse gases in metric tons of CO<sub>2</sub>e that would result from the complete combustion or oxidation of the annual quantity of natural gas imported, sold, or distributed for use in this state.

(B) Covered emissions do not include:

- (i) Emissions that are from the combustion of biomass-derived fuels;
- (ii) Emissions described in 40 CFR part 98 subpart W – Petroleum and Natural Gas Systems;
- ~~(iii) Emissions that result from non-combustion-related processes that use natural gas, as determined by DEQ;~~
- (iii) Emissions avoided where the use of natural gas results in greenhouse gas emissions captured and stored ~~within a product,~~ if sufficiently documented by information provided to DEQ; and
- (iv) Emissions from natural gas delivered to an air contamination source that is an electric power generating plant with a total nominal electric generating capacity greater than or equal to 25 megawatts.

# DEQ Recommendation to EQC

DEQ recommends that EQC:

- Determine that failure to act promptly would result in serious prejudice to the public interest or the interests of the parties concerned as provided under the Justification section of this staff report.
- Adopt temporary rule amendment as shown in Attachment A as part of Chapter 340 of the Oregon Administrative Rules to be effective on filing with the Oregon Secretary of State.

# Proposed Motion Language

*“I move that the Oregon Environmental Quality Commission determine that failure to act promptly would result in serious prejudice to the public interest or the interests of the parties concerned, as provided under the Justification section of this staff report and adopt the temporary rule amendment as shown in Attachment A of the staff report for this item as part of Chapter 340 of the Oregon Administrative Rules to be effective on filing with the Oregon Secretary of State”*