

Climate Protection Program: 2022 Temporary Rulemaking

Public Meeting

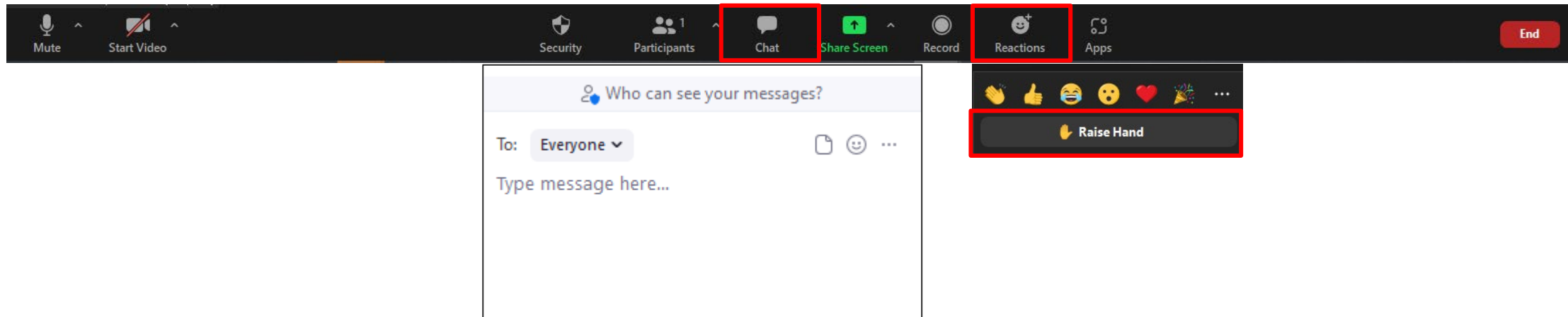
Oct. 24, 2022

10 a.m. – 12 p.m.

Welcome

Thank you for joining us today!

- Please join audio by either phone or computer, not both.
- Please rename yourself to include any affiliation
- Meeting is being recorded
- Not using chat feature except for Zoom technical issues
 - Send chat message to Rachel Fernandez.



Climate Protection Program staff

Nicole Singh

Senior Climate Policy Advisor, and Program Manager

Whitney Dorer

Climate Policy Community Engagement Coordinator

Matthew Steele

Climate Policy Analyst

Rachel Fernandez

Greenhouse Gas Program Analyst

Meeting agenda

Time	Topic
10 a.m.	Welcome
10:05 a.m.	Review meeting agenda, released materials, and procedures for public comment
10:15 a.m.	Review draft proposed amendments to Climate Protection Program and reasons for proposed rule amendment
10:45 a.m.	Public comment period on proposed rule amendment
11:55 a.m.	Temporary rulemaking next steps
12 p.m.	Adjourn <i>(or earlier if no comments remain)</i>

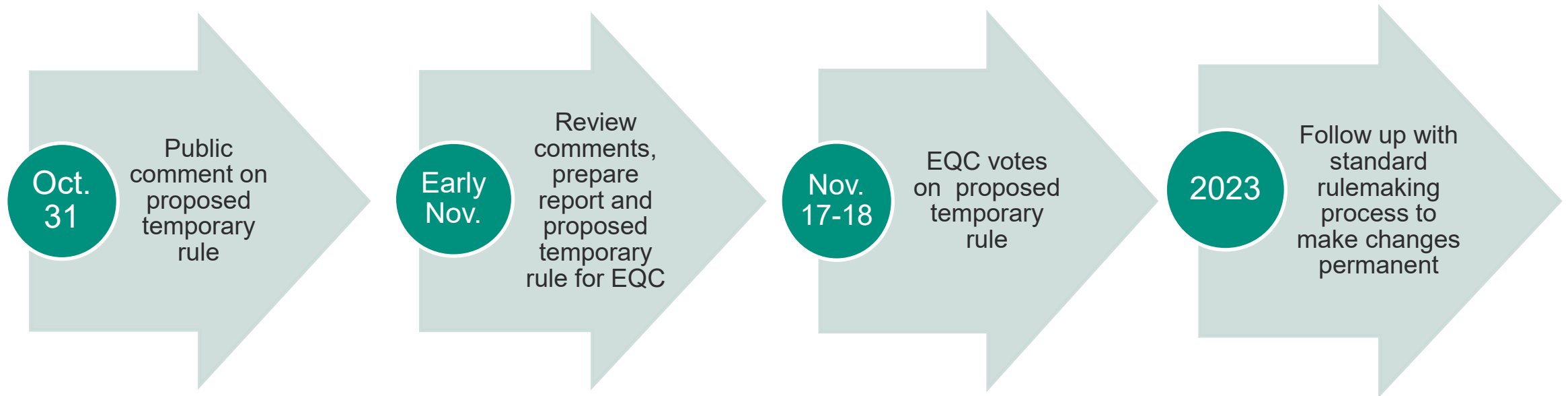
2022 Climate Protection Program Temporary Rulemaking: **DEQ Temporary Rulemaking Process**

What is a temporary rulemaking and why?

- Focused rulemaking process with an expedited schedule
- Identified a need that requires immediate action
- Failure to act promptly results in serious prejudice to the public interest or concerned parties

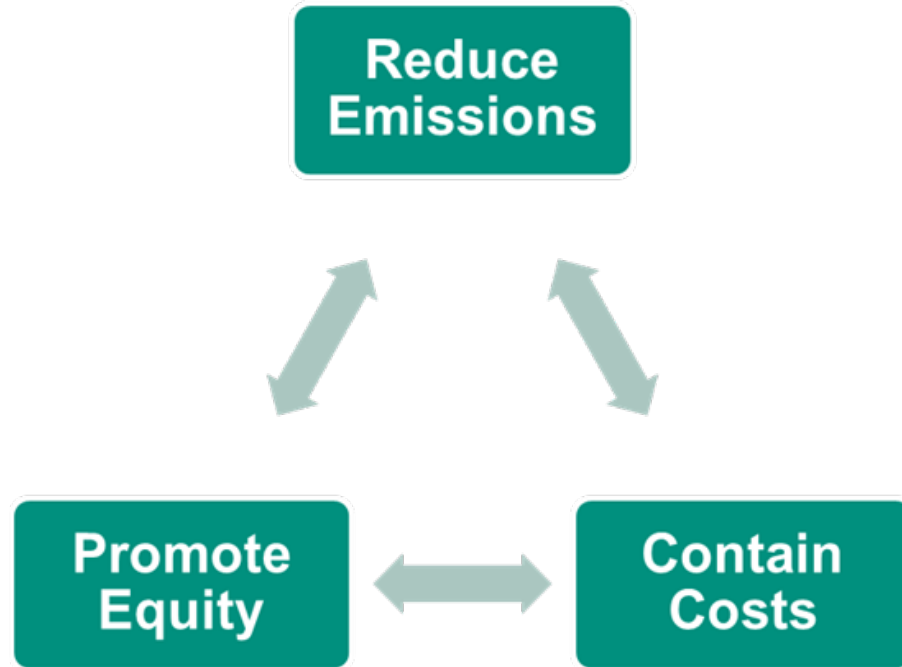
Process

CPP 2022 Temporary Rulemaking Schedule



2022 Climate Protection Program Temporary Rulemaking: **Climate Protection Program**

Purpose and scope

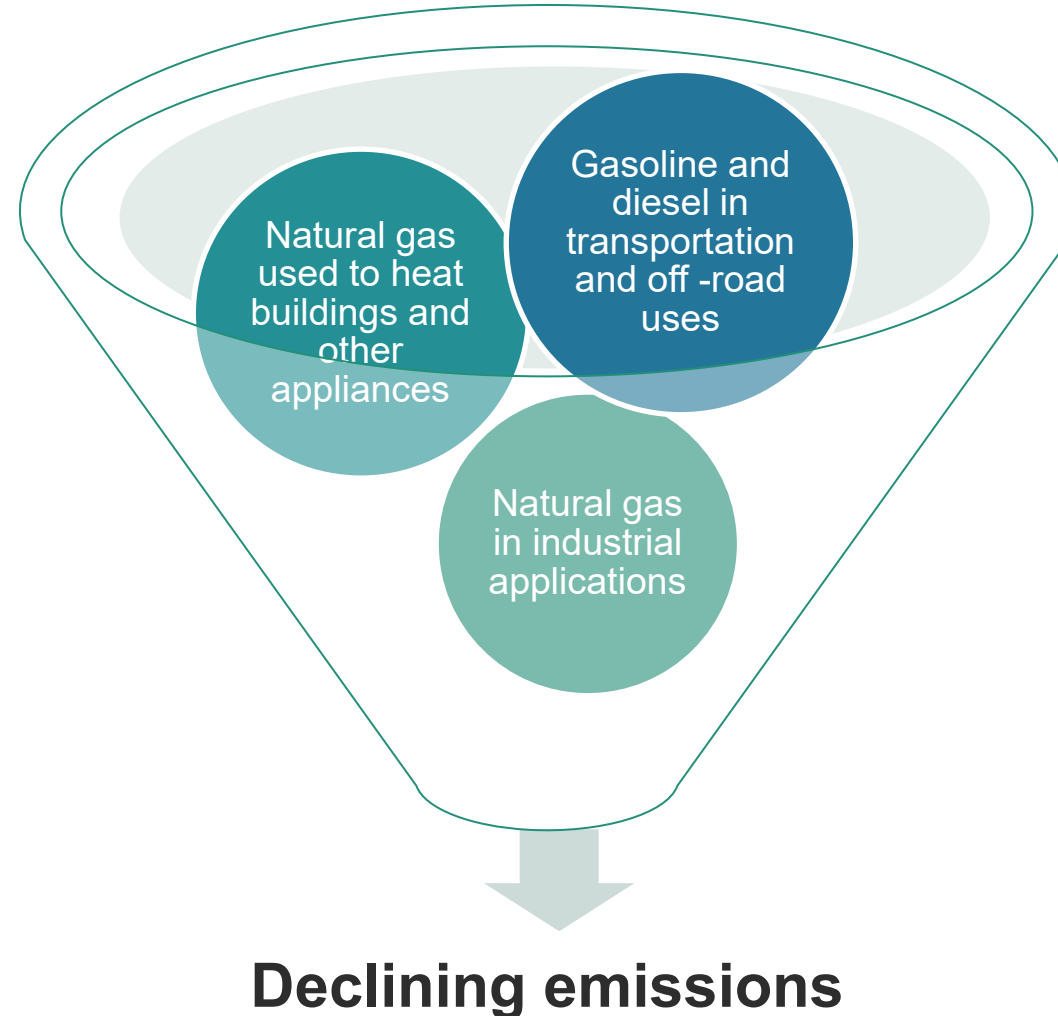


Environmental justice communities include:

- Communities of color, communities experiencing lower incomes,
- Tribal communities,
- Rural communities,
- Coastal communities, communities with limited infrastructure

Purpose and scope

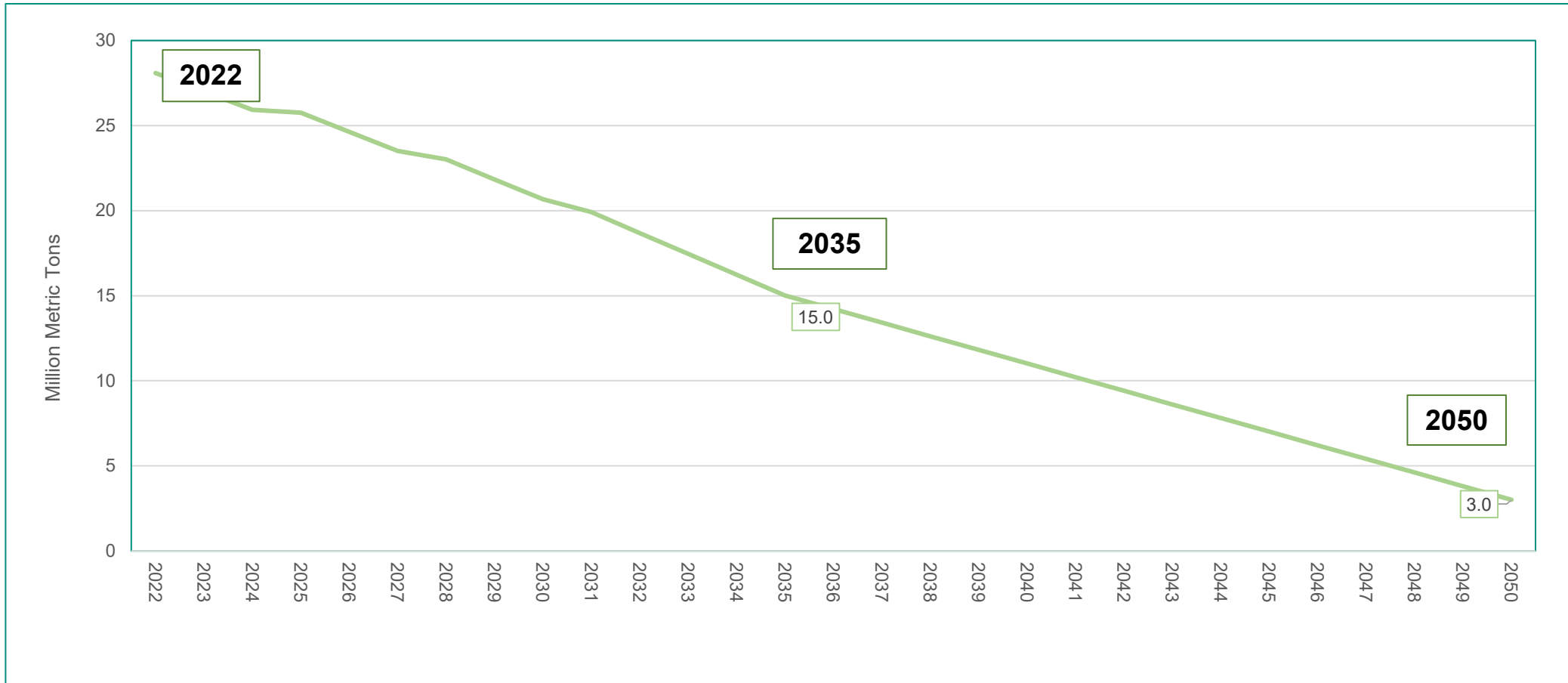
- Mandatory limits on greenhouse gas emissions from fossil fuels used
 - Residential
 - Commercial
 - Industrial
- Covers almost all uses of fossil fuels in Oregon



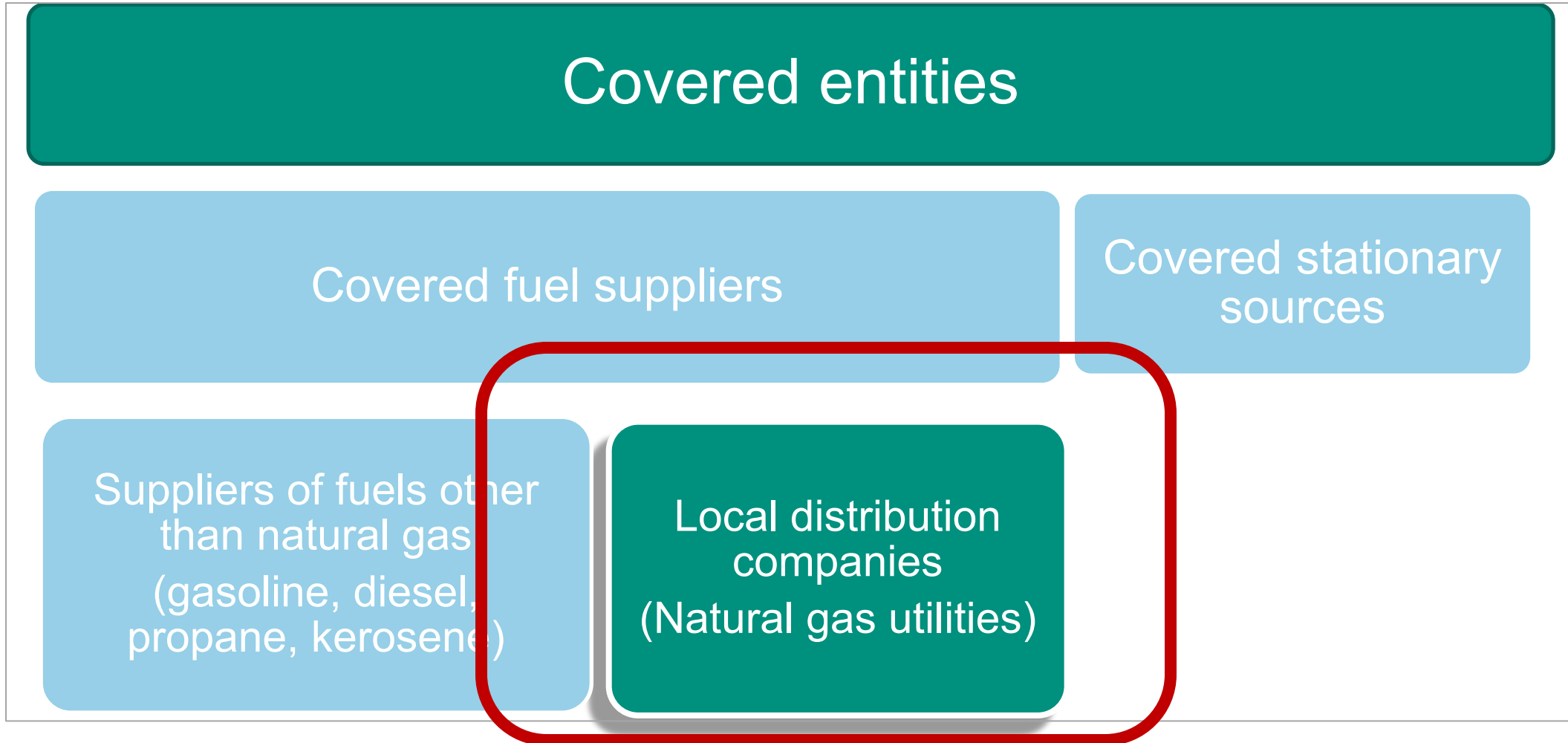
Cap

50% emissions reduction by 2035

90% emissions reduction by 2050



Covered entities



Covered emissions

Covered emissions are determined using emissions reported to the Greenhouse Gas Reporting Program

Covered fuel supplier type	Covered emissions	Applicability thresholds
Natural gas utilities	Anthropogenic greenhouse gas emissions from natural gas supplied Excludes: <ul style="list-style-type: none">• Natural gas used at electricity generating facilities• Biomass-derived fuels	No threshold

2022 Climate Protection Program Temporary Rulemaking: **Proposed Rule Amendment**

OAR 340-271-0110

Covered emissions for local distribution companies

OAR 340-271-0110(4)(b)

- A. Covered emissions include emissions of anthropogenic greenhouse gases in metric tons of CO₂e 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.

OAR 340-271-0110

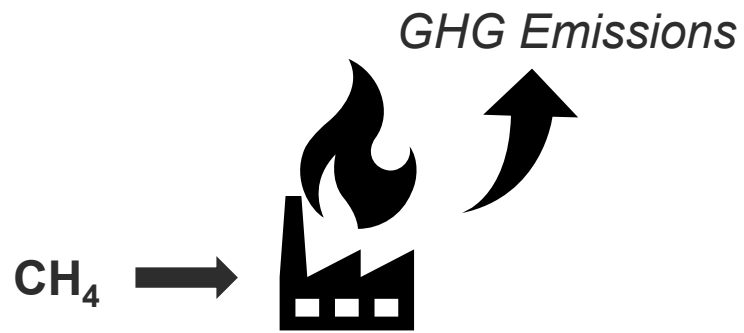
Covered emissions for local distribution companies

OAR 340-271-0110(4)(b)

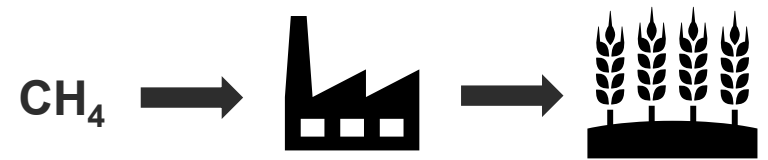
- A. Covered emissions include emissions of anthropogenic greenhouse gases in metric tons of CO₂e that would result from the complete combustion or oxidation of the annual quantity of natural gas imported, sold, or distributed for use in this state.
- B. Covered emissions do not include:
 - i. Emissions 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) Captured and stored



Oxidation process (non combustion) Emissions release to atmosphere



Proposed rule amendment: 340-271-0110(4)(b)

Covered emissions for local distribution companies

OAR 340-271-0110(4)(b)

- A. Covered emissions include emissions of anthropogenic greenhouse gases in metric tons of CO₂e 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 avoided where the use of natural gas results in greenhouse gases 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.

Justification

Failing to act promptly will result in serious prejudice to the interests of local distribution companies and parties contemplating business investments in operations implicated by this rule amendment

- Critical for local distribution companies to have a clear understanding of 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
- Local distribution companies might not be able to make appropriate decisions or take necessary actions to reduce their covered emissions

Justification

Company that owns these facilities, and any others potentially interested in similar activities, urgent interest in understanding regulatory implications for operating natural gas oxidation process

- Parties contemplating these type of processes, may believe that the resulting GHG emissions are not covered emissions under CPP
- May proceed with making investments and if EQC amends this rule later through standard rulemaking, could prove costly

Emissions anticipated to be reported soon

- Seeking to modify air permits expeditiously with the hope to begin as soon as early next year

Justification

Jeopardizes CPP emission reduction targets

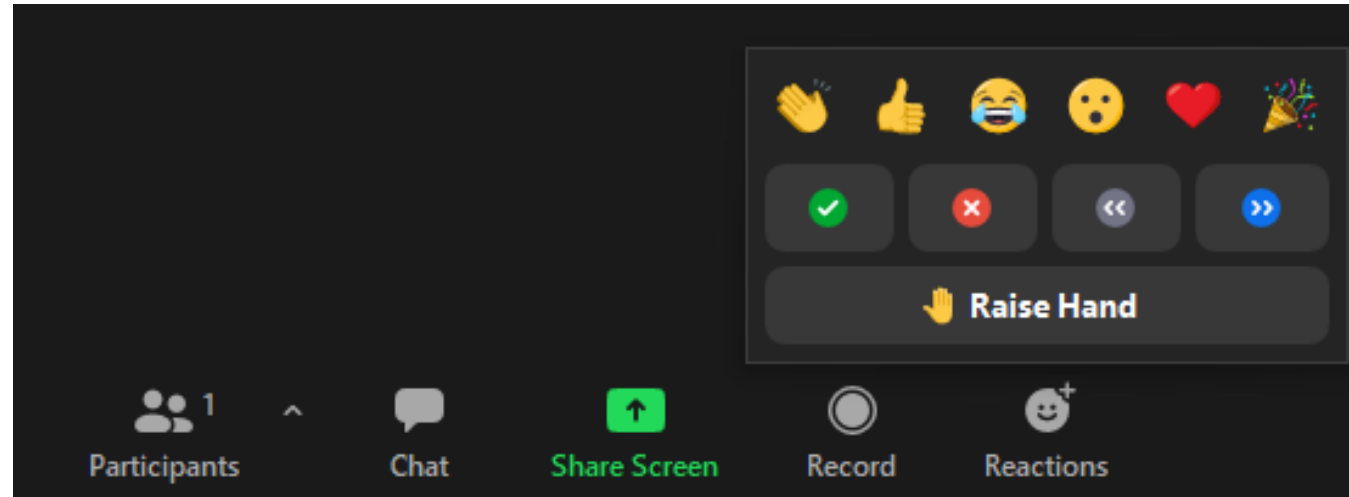
- CPP's emission caps would fail to cover intended scope
- Undermine the environmental integrity of CPP
- Jeopardizes state emission reduction targets

How to comment

- Provide comment today!
- Submit written comment to CPP.info@deq.oregon.gov.
- Submit by mail
 - Oregon Department of Environmental Quality
 - Attn: Nicole Singh
 - 700 NE Multnomah St., Room 600
 - Portland, OR 97232-4100
- Comments received by 4 p.m., Oct. 31, 2022

Public comments

- Please use the “Raise Hand” button to get in the queue; if you joined by phone press *9.



- Say your name and affiliation before speaking
- Please keep comments brief to allow time for others
- Additional written comments may be submitted via email to:
CPP.info@deq.oregon.gov

Wrap Up

- Public comment Oct. 31, 2022
- [Climate Protection Program information](#)
- [2022 Temporary Rule information and public meeting materials](#)
- [EQC meeting Nov. 17-18, 2022](#)

Thank you!