From: GARRAHAN Paul
To: WIND Cory Ann
Cc: PETERS Bill N.
Subject: RE: Draft Rules and Fiscal
Date: Thursday, July 12, 2018 09:36:59

Here are my comments on draft fiscal:

- On first reference to CARB, write out full name of agency.
- In overview section, refers to "crudes" and "crude mix." These seem like informal terms of art. I suggest you use "crude oils" and "crude oil mix."
- In Statement of Cost of Compliance/General Direct Costs/Costs to Reduce Carbon section. Last sentence of second paragraph refers to the "proposed rule changes would not have a significant economic impact." I think what you mean is that the proposed changed values for the gasoline and diesel clean fuel standards themselves would not have significant impact, right? Otherwise, this statement looks like the overall conclusion statement for the entire fiscal document. And in the last sentence of the third paragraph, you say some businesses would "benefit." I think you should say "benefit economically," or something like that. You mean they might earn more money by earning and selling credits, right? Perhaps you should explain that more specifically.
- In the Small business impacts section, you say the changes "would not affect" the costs of reporting/recordkeeping or equipment/supplies. But if a small business decided to take advantage of the new rules to earn credits, might it not incur some additional reporting, recordkeeping and equipment costs? I suggest that this section say something like "possible minimal costs" or that the rules will "not significantly affect" costs.

That's it.

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From: WIND Cory Ann [mailto:Cory.Ann.WIND@state.or.us]
Sent: Thursday, July 12, 2018 8:47 AM
To: GARRAHAN Paul
Cc: PETERS Bill N.; cfp2018; WIND Cory Ann
Subject: RE: Draft Rules and Fiscal

Keiran and Jenny have already reviewed the Div 12 changes and they are straightforward. You'll have a chance to review with the Notice.

Here is a link to the housekeeping white paper from the last advisory committee meeting talking about the substitute pathways. Bill can talk you through it when you're ready.

Cory-Ann Wind
Oregon Clean Fuels Program Manager

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From: GARRAHAN Paul
Sent: Thursday, July 12, 2018 8:21 AM
To: WIND Cory Ann <Cory.Ann.WIND@state.or.us>
Cc: PETERS Bill N. <Bill.N.PETERS@state.or.us>; cfp2018 <cfp2018@deq.state.or.us>; MIRZAKHALILI Ali <Ali.Mirzakhalili@state.or.us>; HNIDEY Emil <Emil.HNIDEY@state.or.us>; ORMAN Michael <Michael.ORMAN@state.or.us>
Subject: RE: Draft Rules and Fiscal

Cory: Here are my comments on the rule amendments. I'm not proposing language to address these comments, so I will just list them out by email here.

- Rule 0040(6). Term "drop-in fuel" is used. I don't know what that is. I assume it is a term of art in the fuel industry. You may want to consider whether there is a plain English term you could use, or else define it.
- Rule 0040(85). This may not matter that much, but I think this list should conclude with an "and" instead of an "or," after subsection (m). It really is neither, since it is just a list of various transaction types. I note that, in terms of ease of use of the definitions, this approach buries these definitions under T for "transaction type," so if someone is looking in the alphabetized list for a particular definition, these are hard to find.
- Rule 0400(5)(a).
    - You use the term "CA-GREET" for the first time (I think). You should probably add it to the acronyms list in Rule 0060.
    - You start using the shorthand "Q4." Later in the rules you use "Q1." These are not defined. I suggest also adding them to the acronyms list in Rule 0060.
    - You use a date format that puts the day of the month first. Is that a new standard for DEQ rules? It is not the norm, of course.
- Rule 0400(5)(b). The word "pathway" should be the plural "pathways," I think.
- Rule 0450(9)(d)(C). Automatically revoking a fuel pathway if CARB revokes it is very likely an illegal delegation of Oregon rulemaking authority to CARB. I recommend that you treat a revocation the same way that provision treats a modification—i.e., that further use of the pathway is subject to DEQ review and approval before it may be used, based on the underlying facts.
- Rule 0640(4)(b) and (c). Just remember that the references to calculations using American Petroleum Institute tables and calculations means that the current versions are adopted by reference. (Again, non-delegation principle.)
- Rule 0640(4)(d). The word "believe" should be the plural "believes." I also offer an edit to combine the two sentences by deleting "to DEQ." at the end of the first sentence, and inserting the word "and."
- Rule 0640(6). I suggest that if you put "Not for Transportation" in quotes in the title to this section, it would be more clear for the reader.
- I note that I do not understand when the values in Table 8 would be used. Perhaps someone can explain that to me at some point—I think it will take an oral explanation.

That's it. Otherwise these amendments looked good to me. You did not send me the Div. 12 amendments, but I suspect those are pretty straightforward.

I am looking at the fiscal now.

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From: WIND Cory Ann [mailto:Cory.Ann.WIND@state.or.us]
Sent: Tuesday, July 10, 2018 4:00 PM
To: MIRZAKHALILI Ali; HNIDEY Emil; ORMAN Michael; GARRAHAN Paul
Cc: PETERS Bill N.; cfp2018; WIND Cory Ann
Subject: Draft Rules and Fiscal
Importance: High

The draft rules and fiscal statement are ready for your review.

Michael, Ali and Emil, here is the link to the SharePoint site: http://deqsps/programs/rulemaking/aq/cleanfuels2018/default.aspx. The documents are under B – Stakeholder Involvement in the AC Mtg #4 folder. Paul, the documents are attached.

I apologize for the quick turn-around on this, but the meeting is scheduled for next Monday, July 16th and we didn't get all of the committee comments submitted until earlier today. In the grand scheme of things, these are pretty minor changes but I realize that it's probably your first time taking a look at the entire rule package. I would love to have your comments by Thursday, July 12th so I can send them out to the committee before the meeting.

Ali, when we briefed you on this rulemaking, you had some questions about alternative jet fuel generating credits but not deficits. This is the path that California is moving forward on and we wish to remain consistent. I also have some comments from stakeholders that speak to this issue so let me know if you want to see them or want to schedule some time to discuss.

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