

Oregon Clean Fuels Program

CFP 2018 Rulemaking
July 16th Advisory Committee Meeting

Meeting Agenda

- Review draft rule text
- Discuss draft fiscal analysis

New and Modified Definitions

- “Alternative Jet Fuel” means a drop-in fuel, made from petroleum or non-petroleum sources, which can be blended and used with conventional petroleum jet fuels without the need to modify aircraft engines and existing fuel distribution infrastructure.
- “Electric Transport Refrigeration Units (eTRUs)” means refrigeration systems powered by electricity designed to refrigerate or heat perishable products that are transported in various containers, including semi-trailers, truck vans, shipping containers, and rail cars.

New and Modified Definitions

- “Fuel pathway holder” means the entity that has applied for and received a certified fuel pathway code from DEQ, or who has a certified fuel pathway code from the California Air Resources Board that has been approved for use in Oregon by DEQ.
- “Fuel Supply Equipment” refers to equipment registered in the Clean Fuels Program Online system that dispenses alternative fuel into vehicles, including but not limited to electric car chargers, hydrogen fueling stations, and natural gas fueling equipment.

New and Modified Definitions

- “OR-GREET” means the Greenhouse gases, Regulated Emissions, and Energy in Transportation (GREET) model developed by Argonne National Laboratory that DEQ modifies and maintains for use in the Oregon Clean Fuels Program. The most current version is OR-GREET 3.0. DEQ will make available a copy of OR-GREET 3.0 on its website. As used in this rule, OR-GREET refers to both the full model and the fuel-specific simplified calculators that the program has adopted.

New and Modified Definitions

- “Renewable Propane” means liquefied petroleum gas (LPG or propane) that is produced from non-petroleum renewable resources.
- “Substitute Fuel Pathway Code” means a fuel pathway code that must be used to report transactions that are sales or purchases without obligation, exports, loss of inventory, not for transportation use, and exempt fuel use when the seller of a fuel does not pass along the carbon intensity of the fuel to the buyer.

New and Modified Definitions

- Transaction Types: (i) “Not used for transportation” means a transportation fuel that was used in an application unrelated to the movement of goods or people, such as process heat at an industrial facility, home or commercial building heating, or electric power generation.
- (n) “Used in exempt fuel uses” means that the fuel was delivered or sold into vehicles or fuel users that are exempt under OAR 340-253-0250.

Modifications in -0250 Exemptions

- Currently:(J) Motor vehicles that are not designed primarily to transport persons or property, that are operated on highways only incidentally and that are used primarily for construction work.
- In the draft: (J) Motor vehicles that meet all of the following conditions:
 - (i) Are not designed primarily to transport persons or property;
 - (ii) That are operated on highways only incidentally; and
 - (iii) That are used primarily for construction work.

Modifications to -0320 CNG/LNG/LPG

- (5) Liquefied petroleum gas. For ~~propane-LPG~~ used as a transportation fuel, subsections (a) through (d) determine the person who is eligible to generate credits.

(a) Fossil LPG. The person that is eligible to generate credits is the owner of the fueling equipment at the facility where the ~~fossil liquefied petroleum gas~~LPG is dispensed for use in a motor vehicle.

(b) Forklifts. For fossil LPG being used in forklifts, the forklift fleet owner or operator is eligible to generate the credits.

(c) Renewable LPG. The producer or importer of the renewable LPG is eligible to generate credits.

(d) Blend of fossil and renewable LPG. For fuel that is a blend of fossil and renewable LPG, the generated credits will be split between the person eligible to generate credits under subsections (a), (b) and (c) based on the actual amounts of each in the blend.

(6) Responsibilities to generate credits. Any person specified in sections (2) through (5) may generate clean fuel credits by complying with the registration, recordkeeping, ~~and reporting,~~ and attestation requirements of this division under OAR ~~340-253-0500, 340-253-0600, 340-253-0620, 340-253-0630, and 340-253-0650~~ for the fuel.

(7) For bio-based or renewable fuels under this rule, the ability to generate credits for the fuel may be transferred along with the fuel to another recipient of the fuel in the state so long as it is documented in a written contract.

Modifications to -0330 and -0340

New Electricity credit generator sections:

- (5) Forklifts. For electricity used to power forklifts, the forklift fleet owner may generate the credits.
- (6) Truck Refrigeration Units. The operator of the electric truck refrigeration unit may generate the credits.

New Hydrogen credit generator section:

- (3) Forklifts. For hydrogen forklifts, the forklift fleet owner is the credit generator eligible to generate credits by complying with the registration, recordkeeping and reporting requirements of this division.

New Rule -0350 Alternative Jet

340-253-0350

Credit Generators: Alternative Jet Fuel

- (1) Applicability. This rule applies to importers or producers of alternative jet fuel that is being fueled into planes in Oregon.

- (2) Credit Generation. The initial entity eligible to generate credits under this rule is the importer or producer of the alternative jet fuel. The ability to generate credits for the alternative jet fuel may be transferred when the fuel is sold to another entity so long as it is documented in the written contract between the buyer and seller.

- (3) Responsibilities to generate credits. Any person specified in section (2) may generate clean fuel credits by complying with the registration, recordkeeping and reporting requirements of this division.

Modifications to -0400 CIs

(5) Transition to OR-GREET 3.0.

(a) Pathways certified under OR-GREET or CA-GREET 2.0 will be deactivated by DEQ in the CFP Online System for reporting after Q4 2020. Fuel pathway holders with pathways certified under OR-GREET or CA-GREET 2.0 that wish to keep generating credits from those fuels from 1 January 2021 onward must follow the pathway application and certification process in this rule to obtain a new pathway under OR-GREET 3.0, or DEQ approval of a CARB-certified CA-GREET 3.0 pathway.

(b) Existing lookup table pathways. Entities reporting fuels under the existing lookup table pathways that do not require an application will have those pathway automatically updated to the OR-GREET 3.0 values on 1 January 2019 for Q1 2019 reporting.

(c) New pathway applications. DEQ will not consider applications using OR-GREET 2.0 starting in 2019 or the effective date of this rule, whichever comes first.

Modifications to -0450 Obtaining a CI

- Conforming changes for the move to OR-GREET 3.0 and the simplified calculators for Tier 1 fuels.
- Clarification to CI approval conditions to make clear that for certain activities DEQ may require fuel facilities or projects to adhere to protocols to assure carbon reduction or sequestration claims
- Notification requirements for fuel pathway holders if their CARB-approved pathway is revoked or modified.

Addition to -0600 Records

- RNG attestation requirement:
(8) Attestations regarding environmental attributes. An entity reporting any biomethane as a transportation fuel in the Clean Fuels Program, and a fuel pathway holder using biogas or biomethane as process energy, must obtain and keep attestations from each upstream party collectively demonstrating that (a) the entity claiming the environmental attributes has the exclusive right to claim environmental attributes associated with the sale or use of the biogas or biomethane, and (b) the environmental attributes have not been used or claimed in any other program or jurisdictions with the exception of the federal RFS. The attestations must be made available to DEQ or a verifier upon request. The inability to promptly produce the attestations constitutes ground for credit invalidation pursuant to OAR 340-253-0670.

Addition to -0640 Reporting

- RNG attestation requirement:

(d) [...] Additionally, they must submit the following attestation at the time of filing the annual report: “I certify that to the extent that the gas used in the fuel pathway or supplied as transportation fuel is characterized as biomethane, _____ (entity name) owns the exclusive rights to the corresponding environmental attributes. _____ (entity name) has not sold, transferred, or retired those environmental attributes in any program or jurisdiction other than the federal RFS. Based on diligent inquiry and review of contracts and attestations from our business partners, I certify under penalty of perjury under the laws of the State of Oregon that no other party has or will sell, transfer, or retire the environmental attributes corresponding to the biomethane for which _____ (entity name) claims credit in the CFP program.”

Additions to -0640 Reporting

- Temperature correction methods for liquid fuels
- Clarifications on reporting exempt gallons:

(5) Reporting Exempt Gallons. When reporting that gallons were sold to exempt fuel users as defined in OAR 340-253-0250, the registered party must include in the transaction description field of the CFP Online System which categories of exempt fuel users the registered party is claiming it delivered gallons into. For blended fuels, all components must be reported as exempt.

(6) Reporting Not For Transportation Gallons. When reporting that gallons were sold as not for transportation in the CFP Online System, the registered party must report in the transaction description field of the CFP Online System which stationary source or category of stationary fuel combustion the gallons were being sold to. For blended fuels, all components must be reported as not being used for transportation.

Addition to -1000 Credits & Deficits

(d) If a registered party purchases a blended finished fuel and the seller does not provide carbon intensity information, then the registered party must use the applicable substitute fuel pathway code in Table 8 of OAR 340-253-8080 if the fuel is exported, not used for transportation, or used in an exempt fuel use. If the finished fuel blend is not listed, the registered party must report the volume using the applicable lookup table fuel pathway code for the fossil fuel and the applicable substitute fuel pathway code for the biofuel or biofuels.

Changes to Tables

- Clean Fuel Standards in tables 1 and 2 updated as per the discussion last meeting
- Table 3 has the clean fuel standard that alternative jet will be measured against for credit generation
- Table 4 has the updated and combined lookup table
- Table 6 has updates energy densities and an additional energy density for alternative jet fuel.
- Table 7 has the combined energy economy ratios table , with updates and additional values per the last meeting
- Table 8 has the new substitute fuel pathway codes

Comments

- Comments due Friday, July 27th
 - Email them to OregonCleanFuels@deq.state.or.us