

# Greenhouse gas emissions reduction programs

Environmental Quality Commission meeting

Item E

July 16-17, 2020

# Existing GHG Reduction Programs in Oregon

<b>Programs</b>	<b>Lead Agency</b>	<b>Emissions Sector</b>
<b>ZEV/LEV (zero emission vehicles and low emission vehicle) standards</b>	ODEQ/EQC	Transportation
<b>Clean Vehicle Rebate Program (thru 2023)</b>	ODEQ/EQC	Transportation
<b>Clean Fuels Standard (thru 2025)</b>	ODEQ/EQC	Transportation
<b>Employee Commute Option (ECO) Program</b>	ODEQ/EQC	Transportation
<b>Transportation &amp; Land Use Planning</b>	DLCD/ODOT	Transportation
<b>GHG Standard for New Energy Facilities</b>	ODOE/EFSC	Electricity
<b>RPS (Renewable Portfolio Standard)</b>	OPUC	Electricity
<b>Coal to Clean</b>	ODOE/OPUC	Electricity
<b>GHG Reporting</b>	DEQ	Electricity, Transportation, Natural Gas, Industrial/Commercial

# New/Expanded GHG Reduction Programs at DEQ

Programs	Emissions Sector
<b>Cap and Reduce Programs</b>	
<ul style="list-style-type: none"> <li>• Large Stationary Sources of GHG</li> <li>• Transportation Fuels</li> <li>• Natural Gas and Other Fuels</li> </ul>	Industrial and Commercial Transportation Industrial, Commercial & Res.
<b>Extend &amp; Expand the Clean Fuels Program</b>	Transportation
<b>Reduce Methane Emissions from Landfills</b>	Stationary Sources
<b>Food Waste</b>	All
<b>Statewide Transportation Strategy (Parts)</b>	
<ul style="list-style-type: none"> <li>• Expansion of Employee Commute Option Program</li> <li>• Interagency ZEV Action Plan</li> <li>• Alternative Fuels Study for Trucks</li> <li>• Adopt California ZEV Standards for Medium and Heavy Duty Trucks (and Low NOx emissions)</li> </ul>	

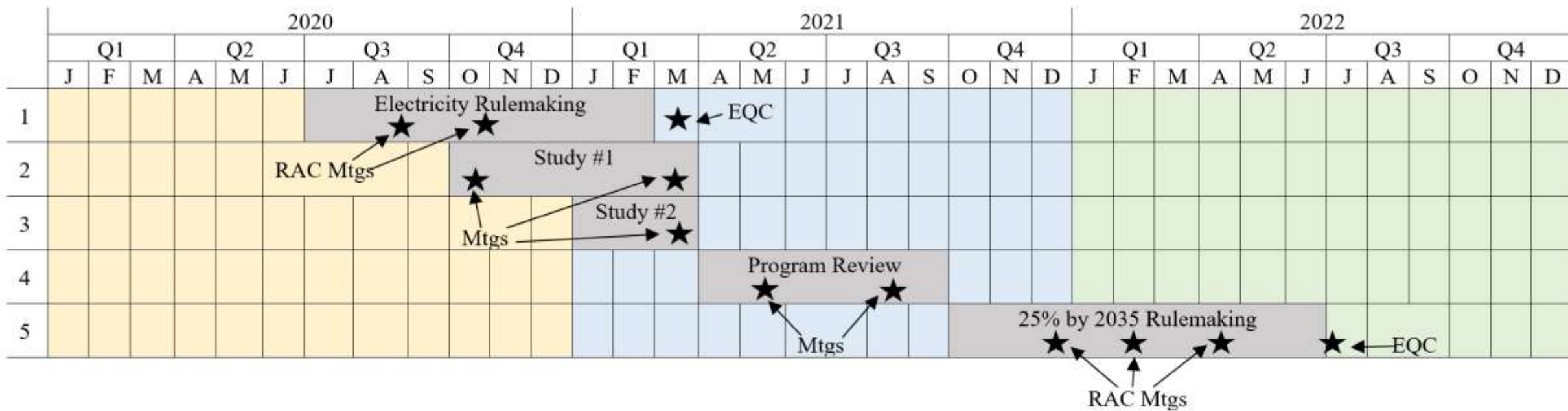
# Two of the directives in Executive Order 20-04

1. **Expand the Clean Fuels Program (CFP)**
2. **“Cap and reduce” GHG emissions** from key sectors in Oregon’s economy

# 1. Expand Clean Fuels Program

- **Existing program:** 10% reduction in carbon intensity of transportation fuels
  - 2015 baseline accounts for B5/E10 already required at that point)
  - 10% reduction gradually phased in over 10 years – achieved by 2025
- **New Directive:** Expand and extend CFP
  - 20% by 2030: achieve another 10% reduction in half the time
  - 25% by 2035: more ambitious than any other jurisdiction with a low carbon fuel standard
- **New Directive:** Explore opportunities to better encourage transportation electrification
  - CFP already a key state program incenting transition to electricity
  - Exploring adjustments to program to increase these incentives

# Schedule for CFP Directives



# Executive Order 20-04: Cap and Reduce

## Directives to EQC and DEQ:

### Sector-Specific Cap and Reduce Program(s)

- Take actions necessary to “cap and reduce” GHG emissions consistent with science-based emissions reduction goals from :
  - Large stationary sources
  - Transportation fuels, including gasoline and diesel
  - All other liquid and gaseous fuels including natural gas

### Reports to Governor

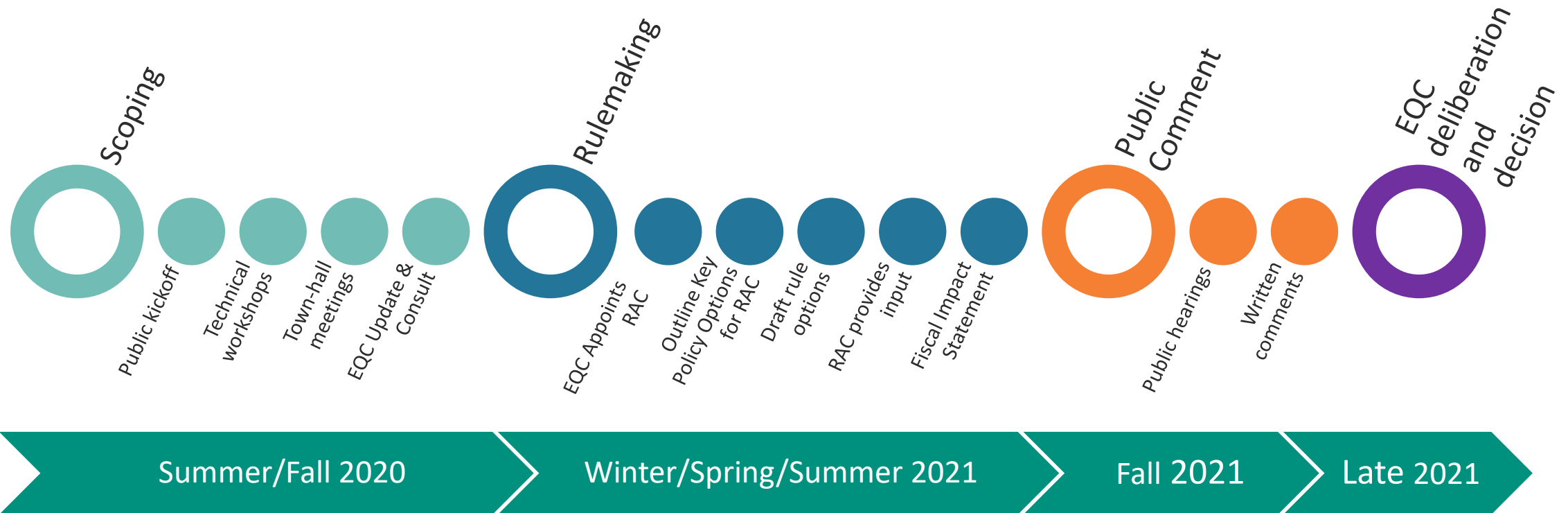
- Preliminary report to the Governor by May 15, 2020
  - Focused on the process to develop the program to cap
  - Process must conclude with **implementation by January 1, 2022**
- Final report on that process submitted June 30, 2020

# Process for Cap and Reduce Program Development

- **Phase 1: Process Engagement** (Spring 2020)
  - Solicit input on proposed development process to inform the Final Report due June 30, 2020
- **Phase 2: Program Scoping** (Summer & Fall 2020)
  - Engage in discussions on program design features and issues prior to opening formal rulemaking
  - Solicit feedback from public and stakeholders
  - Environmental Justice outreach and engagement
- **Phase 3: Formal Rulemaking** (Late 2020 – 2021)
  - Develop and propose rules for consideration
  - Provide enhanced opportunities for public and stakeholder engagement



# Cap and Reduce Program Development



# Potential Policy Topics for Summer Technical Workshops

## Scope

Which greenhouse gasses should the program cover?  
What emissions sources should be regulated?  
What entities are responsible for those regulated emissions?

## Stringency

Should the cap be absolute tonnage of emissions or intensity-based?  
How quickly should the cap decline?

## Impacted Communities

How can the program protect impacted communities?  
What strategies prevent negative impacts on impacted communities?  
How can priorities of environmental justice communities be incorporated?

## Demonstrating Compliance

How should the program permit emissions and how should those permits be issued?  
How can emissions leakage (the movement of emissions sources out of Oregon) be minimized?  
What other factors should the program consider when distributing permits?

## Alternative Compliance Options

Should the program allow for alternative ways of complying with the GHG limits aside from agency-issued permits?  
Should the program award additional permits to investments that reduce GHG emissions?

## Cost Effectiveness

Should the program allow for trading of permits, and if so, how?  
What additional strategies could reduce economic burden on impacted communities and small businesses?

# Statewide Transportation Strategy/Every Mile Counts

## Every Mile Counts

A Multi-Agency STS Implementation Effort



ODOT  
DLCD  
DOE  
DEQ



Identify  
cross-agency  
actions



STS Multi-Agency  
Implementation Work Plan



# Statewide Transportation Strategy/Every Mile Counts

## Objectives

### Reduce GHG Emissions



Reduce VMT Per  
Capita



Clean Vehicles  
and Fuels



GHG Emissions in  
Decision-Making

### Integrate Climate Justice and Equity Considerations

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# Statewide Transportation Strategy/Every Mile Counts

## Priority Efforts



### Transportation Options

- Statewide Trip Reduction Policy
- Parking Management



### Local GHG Reduction Planning

- Climate Friendly and Equitable Communities
- Scenario and GHG Reduction Planning
- GHG Reduction Performance Measures



### Cleaner Fuels

- Clean Fuels Program
- Truck Alternative Fuels Study
- Emissions Standards and ZEV Requirements for Trucks

### Transportation Electrification

- Interagency ZEV Action Plan
- Transportation Electrification Infrastructure Needs Analysis

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# Statewide Transportation Strategy/Every Mile Counts

## Every Mile Counts

### DEQ Led Efforts



#### Statewide Trip Reduction Policy



#### Clean Fuels Program Expansion



#### Truck Alternative Fuels Study, and Emissions Standards and ZEV Requirements for Trucks



Photo: Daimler

#### Supported By:

ODOT – Trip Reduction Policy Development & Implementation Support to Businesses

DOE – State Agency Fuel Use

ODOT – Truck Fuels Study & Implementation: Emission Regulations

DOE – Truck Fuels Study, Emission Regulations

# Statewide Transportation Strategy/Every Mile Counts

## Commitment to Every Mile Counts



### Memorandum of Understanding

- At least a 10 year commitment
- Work Plan every 2 years
- Implementation teams
- Quarterly check-ins
- Accountability mechanisms
- Public engagement

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# Oregon DEQ Greenhouse Gas Emissions Reduction Programs

Questions?

DEQ Office of Greenhouse Gas Programs:

<https://www.oregon.gov/deq/ghgp/Pages/ghg-Programs.aspx>

Governor's Carbon Policy Office

[https://www.oregon.gov/gov/Pages/carbonpolicy\\_index.aspx](https://www.oregon.gov/gov/Pages/carbonpolicy_index.aspx)

Oregon Dept. of Transportation: Every Mile Counts

<https://www.oregon.gov/odot/Programs/Pages/Every-Mile-Counts.aspx>