

State of Oregon

Department of Environmental Quality Memorandum

Date: July 9, 2025

To: Environmental Quality Commission

From: Leah Feldon, Director

Subject: Agenda item K, Informational item: Director's Report
July 10-11, 2025, EQC meeting

1.0 Director's Office

1.1 New Resources for Climate Protection Program work with Manufacturing Sector

The Legislature included three new full-time employees in DEQ's 25-27 budget dedicated to implementing the Climate Protection Program (CPP). These positions are specifically for providing additional capacity at DEQ to design new and revised components of the CPP focused on how the program regulates trade-exposed manufacturers in Oregon.

When adopting the CPP rules late last year, there was extensive interest expressed both by the commission and interested parties in the agency exploring options to better support manufacturers and, in particular, accommodate and even encourage growth in Oregon manufacturing. These new positions will provide critical resources as DEQ begins to design more sophisticated approaches for regulating manufacturing and building components to encourage both industrial growth and industrial decarbonization at the same time.

DEQ is moving to fill these positions quickly and anticipates beginning to work with interested parties later this year. The formal rulemaking process isn't anticipated to begin until next year. DEQ plans to conclude that process before the start of the next compliance period that begins in 2028.

1.2 Community Climate Investment Equity Advisory Committee

Staff in the Climate Protection Program have made significant progress towards forming an Equity Advisory Committee (EAC). The EAC is a critical part of the Community Climate Investment (CCI) component of the CPP and will advise DEQ on the selection of a CCI Third Party and subsequently on how and where CCI investments should be made across Oregon.

Earlier this year, DEQ issued a solicitation for interested parties to serve on the CCI EAC. We received several dozen applications and are nearing completion of the review and selection process. The CPP rules direct DEQ to select EAC members that have lived experiences in:

- (A) Environmental justice;
- (B) Impacts of climate change on communities in Oregon;
- (C) Impacts of air contamination on communities in Oregon; and
- (D) Greenhouse gas emissions reductions in the transportation, residential, industrial and commercial sectors.

The rules also direct DEQ to prioritize members reflecting the geographic diversity of Oregon and require at least one member representing one of Oregon's nine federally recognized tribes.

DEQ expects to have formed the initial EAC later this summer, which is an exciting milestone that then allows the beginning of the solicitation and selection process for a CCI Third Party.

2.0 Air Quality

2.1 Transportation Strategies

The Oregon Clean Vehicle Rebate Program (OCVRP) reopened on May 22, 2025, and has approved 631 rebates totaling nearly \$2.4 million. More than 60% of these funds have supported Charge Ahead Rebates for low- and moderate-income households. Approximately \$30.5 million in Climate Equity and Resilience Through Action funding is available for Charge Ahead Rebates, with an additional \$6.8 million in Vehicle Privilege Tax funding for Standard Rebates. Applicants may receive a rebate at the point of sale or apply after purchase. To qualify for a point-of-sale Charge Ahead Rebate, applicants must present a valid Charge Ahead Prequalification voucher, which can be obtained before purchasing or leasing a vehicle. Response to the prequalification process has been strong with over 1,000 vouchers issued to date. Additionally, OCVRP staff and engagement contractors continue to partner with community-based organizations statewide. They have participated in events in Gresham and Roseburg and plan for several more in-person events this summer and fall.

2.2 Vehicle Inspection Program New Payment Card Readers

The Vehicle Inspection Program (VIP) has successfully installed new payment card readers in all the Portland metro area and Medford stations. This marks a significant milestone for a project that has been in development for several years. This amount of time was needed to ensure that the new readers were Payment Card Industry compliant as well as compatible with VIP testing software. The new card readers also improve efficiency at the stations while providing more payment options for customers. Previously, customers only had the option to swipe cards, which is challenging as cards can become de-magnetized over time. New readers can accept payment through tap, chip and PIN, or swipe options, and also have the functionality to add Google Pay and Apple Pay options.

The VIP program prides itself on efficient and effective service delivery. These new card readers enhance VIP's effectiveness, provide new payment options for accessibility, and ensure the security of payment information.

2.3 Repeal of Greenhouse Gas Emissions Standards for Fossil-Fuel Fired Electric Generating Units

On June 17, 2025, the Environmental Protection Agency (EPA) published a proposed rule to repeal all greenhouse gas (GHG) emissions standards for fossil fuel-fired power plants. Specifically, the EPA is proposing that the Clean Air Act (CAA) section 111 requires it to make a finding that GHG emissions from fossil fuel-fired power plants contribute significantly to dangerous air pollution as a predicate to regulating GHG emissions from plants in this source category. Additionally, the EPA is proposing to make a finding that GHG emissions from fossil fuel-fired power plants do not contribute significantly to dangerous air pollution within the meaning of the statute. The comment period for the proposed rule changes will close on Aug. 7, 2025. DEQ expects to submit comments.

A large amount of electricity used in Oregon is generated through the combustion of fossil fuels. Oregon continues to make progress toward GHG reduction goals. The rules EPA is proposing to repeal represent significant reductions in GHG emissions within the United States. GHGs are a global pollutant that

contribute to changes in our climate that impact Oregon, like hotter summers, increased drought, and longer, more intense wildfire seasons.

2.4 Repeal of Mercury Air Toxics Standards for Coal- and Oil-Fired Electric Utility Steam Generating Units

On June 17, 2025, the EPA published a proposed rule to repeal amendments to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Coal- and Oil-Fired Electric Utility Steam Generating Units (EGUs), commonly referred to as the Mercury and Air Toxics Standards (MATS), that were promulgated on May 7, 2024. The amendments that the EPA is proposing to repeal include the revised filterable particulate matter (fPM) emission standard, which serves as a surrogate for non-mercury hazardous air pollutant (HAP) metals for existing coal-fired EGUs; the revised fPM emission standard compliance demonstration requirements; and the revised mercury (Hg) emission standard for lignite-fired EGUs. The comment period for the proposed rule changes will close on Aug. 11, 2025. DEQ expects to submit comments.

There are no operating coal-fired electric utility steam-generating units in Oregon. That said, mercury, like greenhouse gases, is a global pollutant that circulates through the environment for extended periods of time. Mercury that is emitted as an air pollutant may be transported long distances, deposited on land and in water, and then subsequently remitted. Mercury is toxic to humans, especially to those who are pregnant and children, and is harmful to the environment.

2.5 Wildfire Season Update

The response to wildfire smoke in Oregon is a multi-agency effort coordinated by DEQ and OHA. The [Oregon Wildfire Response Protocol for Severe Smoke Episodes](#) was drafted in 2013 to respond to wildfire smoke and protect public health. The Protocol is reviewed and updated annually and contains federal, state and local contacts. The Protocol provides numerous resources for local public health and other agencies to use when determining what actions they may want to take in response to wildfire smoke impacts. It also outlines how air quality advisories during wildfire season will be initiated and the template language for these advisories.

Every year before wildfire season begins, DEQ meets with our partner agencies to review the process for issuing air quality advisories and the communication that will occur behind the scenes. We also hold a meeting open to all interested entities to discuss any changes to the Protocol and advisory process as well as the current wildfire season forecast. This season, approximately 100 individuals from across the state and from partner agencies in Washington and California attended this pre-season call.

The [Pacific Northwest Fire Potential Outlook](#), posted by the Northwest Interagency Coordination Center (NWCC) and updated monthly, is forecasting higher than normal temperatures, lower than normal precipitation, and an elevated risk of significant fire for most of the Pacific Northwest through September 2025. The next NWCC outlook will be released on or near July 6, 2025. Oregon has officially entered fire season and has seen over a dozen small fires and several large fires, including the Alder Springs Fire, the Wolf Hollow Fire, the Ferry Fire and the Rowena Fire. DEQ and partner agencies are actively monitoring wildfire development and air quality data and are prepared to convene and issue air quality advisories when necessary.

3.0 Land Quality

3.1 Plastic Pollution and Recycling Modernization Act Update

Changes related to the 2021 Plastic Pollution and Recycling Modernization Act (RMA) began to roll

out on July 1, 2025. This system-wide update will make recycling easier for the public to use, expand access to recycling services, upgrade the facilities that sort recyclables, and create environmental benefits while reducing social and environmental harms, such as plastic pollution. Producers and manufacturers of packaged items, paper products and food serveware will pay for many of these necessary improvements and help ensure recycling is successful in Oregon.

RMA implementation is a dial, not a switch, and these changes will not occur overnight. Funding starts to become available this summer, but it will take time for investments to be made and new programs to come online. Some communities are more ready than others, so changes will vary depending on where people live and work. The first program plan period extends through 2027 and will be a time of transition as Oregon's new recycling system implementation begins.

For more information, visit [DEQ's Recycling website](#).

4.0 Water Quality

4.1 401 Water Quality Certification Program

Pelton Round Butte (PRB): DEQ has had productive meetings with PRB facility owners, Portland General Electric and the Confederated Tribes of the Warm Springs (CTWS), to discuss the processes required and resources available for the project informing DEQ's approach to the 401 certification. DEQ staff will present information about the 401 authorities along with CTWS at PGE's 2025 Fisheries Workshop on July 17, 2025, in Bend. DEQ will continue exploring additional opportunities for engagement with other watershed partners.

NEXT Renewables: On May 22, 2025, Washington non-profit corporation Columbia Riverkeeper, Oregon non-profit corporation Northwest Environmental Defense Center, Wendy Schmidt and Haley Voekel filed a lawsuit against DEQ for the NEXT Renewables 401 Dredge and Fill Water Quality Certification issuance. DEQ staff and managers have begun working with DOJ on the case. NEXT Renewables is proposing to build a renewable diesel and sustainable aviation fuel manufacturing facility at the Port of Columbia County's [Port Westward Industrial Park](#) in Clatskanie.

Proposed Clean Water Act (CWA) Section 401 Rule Revision: A proposed revision to the CWA section 401 rule was submitted via Congress. If passed, the revision would significantly limit state evaluations and impose restrictions on certification authorities. DEQ will continue to monitor this proposal.

4.2 Three Basin Rule Revisions

At the EQC's direction in response to a rulemaking petition from Marion County, DEQ is revising the Three Basin Rule to allow the water quality program to issue National Pollution Discharge Elimination System (NPDES) permits in limited circumstances in the Clackamas, North Santiam and McKenzie Basins. DEQ needs to issue NPDES permits in these basins in a manner that allows communities to move forward with improving wastewater treatment while still preserving high water quality in these basins. DEQ has held two advisory committee meetings and is planning a third meeting in July 2025. DEQ plans to present a revised rule for the commission's consideration at their November 2025 meeting.

4.3 Southern Resident Orca Conservation

Southern Resident Orcas (*Orcinus orca*, SRO) are a distinct population of orcas native to the eastern North Pacific Ocean, with a range extending from southeastern Alaska to central California. SRO were listed as endangered under the federal Endangered Species Act (ESA) in 2005 and were listed under Oregon's ESA by the Oregon Department of Fish and Wildlife (ODFW) Commission in February 2024.

At the time of listing, as required by statute, the ODFW Commission also adopted guidelines considered necessary to ensure the survival of individual members of the species. In March 2025, the ODFW Commission notified DEQ in writing that they had determined DEQ is a “non-landowning or managing agency that can play a role in SRO conservation.” As required by OAR 635-100-0150, DEQ shall provide a written description to determine the role and actions it will take in the conservation of the species.

DEQ has determined its role under OAR 635-100-0150 to be a contributor toward the conservation of the species. This determination was made after consulting with ODFW and considering DEQ's program activities and statutory requirements about the survival guidelines adopted by the ODFW Commission. This role is defined by DEQ's activities related to three population threats to SRO recovery identified by ODFW: prey availability, environmental contaminants, and oil spills. The memo to the ODFW Commission defines DEQ's role and outlines how DEQ's program activity relates to these survival guidelines. Director Feldon will provide the memorandum to the Chair of the ODFW Commission on or before July 11, 2025.

5.0 Eastern Region

5.1 Crook County Well Testing

DEQ continues to work with state partners and Crook County officials on drinking water concerns near Prineville. The second round of domestic well sampling, which produced similar results from the sampling that occurred in the fall of 2024, were released at the end of June 2025. Both sets of data provide the state and residents with comprehensive information about their drinking water.

Additionally, DEQ and the Department of Geology and Mineral Industries (DOGAMI) are close to finalizing details with Knife River Corporation on a work plan, that the EPA provided technical assistance and input on, for the groundwater investigation the state is requiring of the company due to groundwater concerns. The groundwater investigation is intended to determine if Knife River's mining operation is causing or contributing to elevated manganese levels in drinking water.

5.2 Lower Umatilla Basin Groundwater Management Area

On May 13, 2025, DEQ, the Oregon Water Resources Department (OWRD), the Oregon Department of Agriculture (ODA), the Oregon Health Authority (OHA) and Governor Kotek's office provided a progress update on the Nitrate Reduction Plan to the Oregon Senate Natural Resources and Wildfire Committee. The informational session included a presentation from the state agencies as well as comments from the EPA, Morrow and Umatilla counties, and several community groups.

The state agency team also presented a LUBGWMA update to the Oregon Water Resources Commission on June 13, 2025, in Pendleton.

The latest [LUBGWMA Advisory Committee](#) meeting, which are open to the public to listen and observe, was held on June 27, 2025. The virtual meeting included progress updates from the state agencies related to the Nitrate Reduction Plan implementation, including ODA updates about the Rules Advisory Committee for irrigated agriculture in the LUBGWMA, the OWRD well assessment project, and DEQ's recent synoptic sampling project. The meeting also included updates from the counties on longer-term clean drinking water efforts.

5.3 Port of Morrow

The Port is currently working on a preliminary engineering design for secondary treatment with a new vendor and must meet a Sept. 1, 2025, due date required by the Memorandum of Agreement with DEQ.

The project continues to pursue Clean Water State Revolving Fund and EPA Water Infrastructure Finance and Innovation Act funds.

DEQ approved the use of a portion of the new Farm 6 acreage for the 2025 growing season irrigation that was part of the most recent permit modification. The use of this acreage is to assist the Port in ensuring permit compliance as the new winter lagoons are completed. Land applications must meet the rigid confines of their permit's nitrogen and hydraulic loading limits. The Port has requested that three additional sources be added to the effluent stream, including CalFarms, a carrot processor, and two Amazon Data Centers. These additional sources will not be added to the Port's portfolio until after the ponds are installed and operational.

The Port has reported being on track to complete and begin using the two new, 1.5 billion combined gallons of storage ponds by the required November 2025 due date to cease winter irrigation.

5.4 Rowena Fire Response

DEQ continues to assist Wasco County and the Oregon Department of Emergency Management in response and recovery functions related to the Rowena Fire. More than 50 private homes and 100 structures were destroyed or severely damaged by the fire, which started on June 11, 2025. DEQ initially responded with technical assistance related to ash and debris removal, hazardous waste management planning, and onsite coordination related to septic system repairs and replacement.

DEQ's role expanded after the Governor's state of emergency declaration on June 20, 2025, to include coordination of hazardous waste removal and ash and debris removal from private homes, using a state approved environmental contractor. DEQ also provided staff on site to assist with communications, conveying messaging to residents and the public on the recovery efforts. DEQ and the Oregon Department of Transportation are working to determine roles for the cleanup, including how to manage the household hazardous waste removal to align with ash and debris removal. DEQ and the county have sought rights of entry from property owners to be able to access property to complete the work.

Many of the homes lost in the fire are older properties, with some dating back to the 1950s and 1960s. As the response and cleanup occurs in the coming weeks, coordination has already begun on other aspects of the recovery, including overcoming onsite septic challenges with properties that may no longer meet state drainfield requirements due to their size and/or location.

6.0 Northwest Region

6.1 Prospective Purchaser Application for Zidell Yards

DEQ is working with developers from the Portland Diamond Project to negotiate a scope of work associated with the redevelopment of the Zidell Yards waterfront site into a proposed Major League Baseball stadium through DEQ's Prospective Purchaser Agreement (PPA) Program. The site is in Portland's South Waterfront between the Ross Island Bridge and Tilikum Crossing Bridge

The property was used for heavy industrial activities from at least 1947 through June 2017, including shipbuilding, repairing and dismantling, as well as scrap metal operations, wire burning, aluminum smelting and housing construction. Zidell Yards entered DEQ's Voluntary Cleanup Program to address environmental contamination in the upland areas along the riverbank and in-water sediments adjacent to the site. Remedial actions included the removal of contaminated hotspots and capping the remaining contamination to isolate it. Long-term protective measures include site use restrictions and ongoing monitoring and maintenance of the caps.

DEQ anticipates the PPA will include the development of a comprehensive contaminated media management plan to guide handling of impacted soil during utility installation and foundation construction. Further evaluation of the riverbank and/or in-water sediment may be necessary depending on the final stadium design to ensure the remedial actions remain protective over the long term.

7.0 Western Region

7.1 J.H. Baxter National Priorities, or Superfund, Listing

Last week, the EPA added the J.H. Baxter site in west Eugene to the Superfund National Priorities List. EPA is leading the cleanup of the site and will work to determine the full extent and scope of contamination. In 2024, DEQ completed cleanup of seven residential yards near the facility in a portion of Eugene's Bethel neighborhood. Work on JH Baxter has been an ongoing effort supported by EPA, DEQ, OHA other state and local agencies, and the local community. This is the next step in a five-year long process to mitigate contamination on the 31-acre site in Eugene after eight decades of use as a wood treatment facility. For more information, visit [DEQ's J.H. Baxter webpage](#) and [EPA's National Priorities List webpage](#).

7.2 Coffin Butte Air Quality Permit Renewal

[Coffin Butte Landfill](#) is a large municipal solid waste landfill located north of Corvallis and south of Monmouth just off Highway 99 in Benton County. The facility has been the subject of concern from residents in the area and from advocacy groups concerned about air quality impacts especially methane, odors and traffic. The facility is owned by Republic Waste and has a Title V air quality permit that is in renewal right now, a solid waste permit and a stormwater permit.

In the summer of 2024, the facility applied for land use approval to expand the landfill footprint beyond its current boundaries. This has generated additional scrutiny from project opponents. Currently, a conditional use permit application is with Benton County for the potential expansion outside the current permitted landfill footprint. Benton County has been hosting public hearings on the expansion proposal since May 2025. A final decision by the planning commission is due by the end of July 2025. No solid waste application will be submitted until the county approves.

The Coffin Butte Title V permit renewal public comment period went through June 6, 2025, with a public hearing on May 20, 2025. DEQ is currently reviewing and evaluating the large volume of comments received.

7.3 Willamette Valley System Supplemental Environmental Impact Statement Development

The U.S. Army Corps of Engineers (USACE) issued a record of decision in May 2025 for their Environmental Impact Statement (EIS) addressing the Willamette Valley System. DEQ and other cooperating agencies participated in the development of this EIS over the previous several years. However, because the 2024 Water Resources Development Act stated that USACE could not finalize the EIS process until they assessed an alternative that included deauthorization of hydropower at all Willamette Valley System dams. The 2024 NMFS Biological Opinion included a deep drawdown at the Detroit Reservoir that was not addressed in the preferred alternative in the previous EIS. The USACE is now completing a supplemental EIS. They are in the "scoping" phase of development of the supplemental EIS.

The supplemental EIS will include analyzing:

- ending hydropower operations at Willamette Valley System dams;
- a deep fall drawdown at Detroit Reservoir; and

- collecting large woody debris from reservoirs to make available to habitat restoration practitioners.

USACE will provide a draft of the supplemental EIS for cooperator review from July 2025 through August 2025, will publish a draft for public review in September 2025, and plans to issue a record of decision on the supplemental EIS in early 2026.

7.4 Drawdowns at Willamette Valley System Reservoirs

USACE will complete deep drawdowns at several reservoirs, including Green Peter and Lookout Point reservoirs, in the Willamette Valley System in 2025. These deep drawdowns support volitional downstream fish passage, which is balanced against tradeoffs such as increased downstream temperature, total dissolved gas, and turbidity. USACE continues to work with the Governor's office and cooperating agencies on implementation and communication plans for outreach to downstream communities related to the deep drawdowns. USACE will not implement a deep drawdown at Detroit reservoir this year.

7.5 Onsite Wastewater Program Service Transfers

Josephine and Curry counties' onsite wastewater programs are once again being served by DEQ, out of the Medford DEQ office, as of May 13, 2025, after approximately five years of being serviced by Josephine County. DEQ staff are currently addressing a backlog of work and challenges related to communication of permit requirements.

Baker, Union, and Wallowa counties, previously serviced by DEQ out of the Pendleton office, are now included in a Memorandum of Agreement with Harney County to operate the Residential Onsite Septic program as of June 1, 2025.

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