

Date: Nov. 24, 2025

To: Environmental Quality Commission

From: Leah Feldon, Director

Subject: Agenda Item A, Action Item: Variances for Air Quality Programs to Address Fuel Availability
Nov. 24, 2025, Special EQC Meeting

Purpose DEQ is requesting the commission approve the attached proposed order authorizing the Director to waive certain requirements and procedures in the Climate Protection Program and the Clean Fuels Program. These actions have been requested by the Oregon Fuels Association due to the extended outage of the Olympic Pipeline. On Nov. 11, a spill from the Olympic Pipeline was discovered in Snohomish County, north of Seattle. The Olympic Pipeline has been partially or fully down since that day. The pipeline typically supplies approximately half of the fossil gasoline, diesel, and jet fuel used in Oregon.

The attached Order would provide a proactive measure to support continual fuel delivery through alternative methods in Oregon by preventing fuel suppliers that are otherwise not subject to regulation under the Climate Protection Program and Clean Fuels Program because they had not exceeded regulatory thresholds from becoming subject to those programs solely because they are importing more fuel into Oregon to prevent shortages of gasoline, diesel, and jet fuel. The Order would also provide narrowly tailored relief to fuel suppliers that are currently regulated by the programs as a proactive measure to support continual fuel delivery through alternative methods.

Recommendation DEQ recommends that the commission approve the attached proposed Order.

Background The background for this item is stated in the findings for the attached proposed Order and Director Feldon and DEQ staff will be on hand to answer questions during the commission's special meeting.

Attachments A. Proposed Order (see pages 3-4)

*Report prepared by Nicole Singh and Bill Peters
Office of Greenhouse Gas Programs
Climate Protection Program Manager and Clean Fuels Program Lead*

Translation or other formats

[Español](#) | [한국어](#) | [繁體中文](#) | [Русский](#) | [Tiếng Việt](#) | [العربية](#)
800-452-4011 | TTY: 711 | deqinfo@deq.oregon.gov

Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age or sex in administration of its programs or activities. Visit DEQ's [Civil Rights and Environmental Justice page](#).

Order Approving Temporary Variances from Certain Requirements of the Climate Protection Program and the Clean Fuels Program

BEFORE THE ENVIRONMENTAL QUALITY COMMISSION

In the matter of authorizing the Director of)
the Department of Environmental Quality to) FINDINGS and
grant temporary Variances to the Climate) ORDER
Protection Program and the Clean Fuels)
Program)

Findings

On Nov. 11, 2025, the Olympic Pipeline was shut down following the discovering of a fuel spill in Snohomish County, Washington from at least one of the two pipes comprising the pipeline. While DEQ has not heard of a disruption to Oregon’s fuel supply currently, DEQ can take actions to support continual fuel delivery through alternative methods in Oregon if the Olympic Pipeline shut down persists.

On Nov. 20, the Oregon Fuels Association, which represents fuel distributors in Oregon, contacted DEQ noting the impacts to their members should they need to find alternative delivery methods to bring fuel into Oregon. Particularly, there are fuel suppliers not subject to the Clean Fuels Program or Climate Protection Program, that if needing to bring in fuel by truck or rail, would become subject to one or both programs. Often, these fuel suppliers only distribute fuel within the state, rather than import fuels from out of state.

The EQC finds that the Olympic Pipeline closure is a physical condition beyond the control of certain Oregon fuel providers and it is important to proactively prepare for the need for those fuel providers to directly import more fuel from out-of-state via truck or rail to meet Oregonians’ fuel needs, which is a special circumstance resulting from the pipeline closure that renders strict compliance with the CPP and CFP unreasonable, burdensome and impractical.

Order

On the basis of these findings, the commission, by this order delegates authority to the Director of the Department of Environmental Quality to approve variances under ORS 468A.075, if the Director determines that such a variance is necessary, appropriate, and remains consistent with the commission’s findings above, subject to the following requirements, limitations, and conditions:

- (1) Class of persons eligible for the variances: Any fuel supplier either currently regulated by the Climate Protection Program, Clean Fuels Program, or both, or any fuel supplier that is potentially subject to either or both programs but not currently a regulated party.
- (2) Variance period: Between and including November 24, 2025, and December 1, 2025 at 11:59 p.m., subject to any modifications approved by the Director as described below in this order.

- (3) Fuel subject to variances: Liquid fossil fuel or finished blended fuels imported into Oregon via truck or rail and not delivered to a bulk storage terminal during the variance period.
- (4) Climate Protection Program Variances: If a fuel supplier wants fuel subject to variances under section (3) to be excluded from the definition of covered emissions under the Climate Protection Program (OAR 340-273-0110(3)(b)(A)), then the fuel supplier claiming such variance must submit a request to DEQ (via email addressed to CPP.Info@deq.oregon.gov) no later than 45 days after the end of the variance period that includes verifiable documentation of the volume of fuel subject to variances that the fuel supplier imported, using a form available from DEQ for such purpose.
- (5) Clean Fuels Program Variances: If an importer of finished fuel (as those terms are defined in OAR 340-253-0040) that imported fewer than 5,000,000 gallons of finished fuel in 2025 wants fuel subject to variances under section (3) to (i) not be counted when determining whether the importer is a large importer of finished fuel or a small importer of finished fuel, under OAR 340-253-0040(76) and (110), respectively, and (ii) be exempt from CFP deficit calculations under OAR 340-253-1020, then the importer claiming such variance must submit a request to DEQ (via email addressed to OregonCleanFuels@deq.oregon.gov) not later than 45 days after the end of the variance period that includes verifiable documentation of the volume of fuel subject to variances that the fuel supplier imported, using a form available from DEQ for such purpose.

The commission further delegates its authority under ORS 468A.075 to the Director to issue orders, as the Director deems necessary and appropriate, to (i) modify the date parameters provided in section (2) and (3) of this order, if the Director determines that the Olympic Pipeline will return to service sooner than December 1, 2025, or that it remains non-functional for a longer period, and (ii) make other technical modifications to this order. This delegation of authority shall terminate on January 20, 2026.

Dated _____

ON BEHALF OF THE COMMISSION
