



Oregon Department of Environmental Quality

Clean Fuels Program 2026 Rulemaking Workplan

January 2026

Program History

In 2009 the Oregon Legislature passed HB 2186 authorizing the Environmental Quality Commission (EQC) to adopt a low carbon fuel standard to reduce the carbon intensity, or lifecycle greenhouse gas emissions per unit of energy, of Oregon's transportation fuels. HB 2186 contained a sunset provision, however, and this together with legal challenges to the program delayed implementation of the Clean Fuels Program (CFP) until 2016. The CFP initially set targets to reduce the average carbon intensity of transportation fuels used in Oregon by at least 10% below 2015 levels by 2025.

In 2020, Executive Order 20-04 (EO 20-04) directed DEQ and the EQC to expand the CFP by setting targets beyond the initial 10% reduction by 2025. A rulemaking conducted through 2022 in response to that Executive Order set new targets of 20% reduction by 2030, and 37% reduction by 2035. A separate rulemaking was also conducted in 2020-21 in response to EO 20-04 to help the state achieve the goals in SB 1044 (2019) of having at least 50% of the new motor vehicles sold in the state by 2030 be zero-emission vehicles, and at least 90% by 2035. Oregon is not currently on track to achieve those goals.

Current Status

The most recent Executive Order, EO 25-29, directs DEQ and the EQC to evaluate the status and projected growth of the clean fuels market and update Oregon's Clean Fuels Program rules to strengthen the low-carbon fuels standard by establishing new carbon intensity reduction targets of at least 50% by 2040. As part of this expansion, DEQ is directed to:

- Propose amendments aimed at advancing transportation electrification in a cost-effective and equitable manner.
- Evaluate the scope and stringency of the LCFS programs in neighboring states and propose new targets and additional rule revisions as needed to better align the Oregon CFP with neighboring jurisdictions.
- Work together with the Public Utility Commission (PUC) to ensure that revenues collected by utilities through the CFP are strategically invested to advance equitable transportation electrification.

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This workplan describes an estimated timeline and steps necessary to carry out this expansion of the Clean Fuels Program as ordered by Executive Order 25-29, along with a high-level summary of some of the key policy issues that will be addressed. The workplan is a current snapshot of DEQ's plans, summarized in the following chart and then described in more detail below. The exact dates, timeline, and number of meetings may shift as we continue work on the rulemaking.

DEQ/EQC Preliminary Workplan for Expanding the Clean Fuels Program																		
	2025			2026												2027		
	Q4			Q1			Q2			Q3			Q4			Q1		
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M
1		workplan development																
2		modeling work					preliminary and final results											
3			Listening session															
4				convene RAC	RAC #1		RAC Meetings						Fiscal RAC					
5													NOPR					
6																EQC		EQC

- 1. Report to the Governor's Office establishing a workplan for the CFP rulemaking expansion that sets a timeline for completion:** this document provides a high-level summary and proposed timeline for the steps that will be taken to expand the Clean Fuels Program as directed by EO 25-29.
 - A GovDelivery announcement on timeline and process for the rulemaking will be released.
- 2. Use existing contract to work the Institute of Transportation Studies at UC Davis (ITS-Davis) to model the anticipated evolution of Oregon's vehicle fleet,** particularly the adoption of electric vehicles. The characteristics of the vehicle fleet will significantly impact the quantity and type of fuels that will be demanded in coming years, so the study will use projections of vehicle fuel consumption developed by an analysis of the vehicle fleet to model market conditions expected under the CFP, including projections of net credit and deficit generation, which DEQ will use to inform this rulemaking.
 - DEQ expects to receive initial results from this study in late spring or summer 2026.
- 3. Hold a listening session on December 17, 2025, to talk through the rulemaking timeline and process.** It will include:

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- a. Rough scoping of the rulemaking
- b. Requests for input from interested parties initial public engagement
- c. Modeling inputs for the UC Davis project
- d. General rulemaking timeline and scope

4. **Convene a Rulemaking Advisory Committee (RAC) to help the agency develop and receive input on the draft rulemaking. DEQ expects to select members in January-February 2026 and hold a series of meetings:**
 - a. March: first RAC meeting
 - b. RAC meets in spring and summer of 2026
 - c. Modeling work for the rulemaking should be done summer 2026
 - d. Fall 2026: fiscal RAC meeting
5. **Issue a Notice of Proposed Rulemaking (NOPR)** and begin a public comment period in fall or early winter of 2026.
6. **Present the rulemaking to the EQC for consideration** in the winter of 2026 or first half of 2027.

Contact

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