

Greenhouse Gas Reporting Program Fee Update 2026

Draft Fiscal Impact Statement

Request for advisory committee comment

DEQ is requesting feedback and any additional data or information from members of the advisory committee on:

- Whether the proposed rules would have a fiscal impact and the extent of that impact.
- Whether the rules will have a significant economic effect on businesses, and options that the EQC should consider for achieving the rules' substantive goals while reducing that impact.
- Whether the proposed rules would have a significant adverse effect on small businesses, and if yes, how might the EQC reduce that impact consistent with the public health and safety purpose of the proposed rules.
- Potential racial equity impacts of the proposed rules.
- Potential environmental justice considerations of the proposed rules.

Introduction

Oregon's Greenhouse Gas Reporting Program (GHG RP) rules require reporting from major sources of greenhouse gas emissions in Oregon. This includes industrial facilities, suppliers of liquid fuels and natural gas, landfills and electricity suppliers. DEQ receives reports with a broad variety of data from over 400 regulated entities annually, covering over 120 distinct industry types. Reported data supports Oregon's statewide greenhouse gas inventory and implementation of emissions mitigation programs such as HB 2021 Clean Energy Targets for the electricity sector and DEQ's Climate Protection Program.

DEQ is proposing rule amendments to Oregon Administrative Rules Chapter 340, Divisions 216, and 220 to establish permanent changes to the fees assessed to air permitted facilities subject to greenhouse gas reporting requirements. These fees have not been adjusted since 2010. The current fee structure no longer covers the costs of the program. Oregon's 2025 legislature approved SB 5520 (2025), authorizing the commission to adjust the fees to support the current costs to operate the program, effective for the 2026 fiscal year. A temporary rule adopting the

adjusted fees was approved in July of 2025 to prevent the program from operating in excess of revenue for that year. DEQ is now seeking permanent approval of the fee increases identical to the temporary amendments adopted in July.

The agency is proposing, as approved by the legislature, that fees be raised permanently from 15% of a Title V permit with a \$4,500 cap and 7.3% of an Air Contaminant Discharge Permit, to 20% of any annual air permit base fees, with a minimum of \$500 and a maximum annual fee of \$9,000 per source.

During the EQC meeting on July 10, 2025, the EQC delegated adoption authority to DEQ Director Feldon for the GHG RP fee increase. After the public rulemaking process has been completed the final rules will be presented to DEQ Director Feldon for proposed approval under her delegated authority.

These proposed rule amendments do not propose any policy or reporting changes.

Fee analysis

These proposed rules would increase existing GHG RP fees. The Environmental Quality Commission authority to act on the proposed fees is ORS 468A.050, 468.065 and 468A.315. In 2025, the legislatively approved budget, SB 5520, authorized a permanent increase to the GHG RP fees. On July 10, 2025 the EQC approved temporary rules increasing the GHG RP fees and delegated authority to DEQ Director Feldon to adopt a permanent fee increase

Brief description of proposed fees

GHG RP fees are calculated as a percentage of an air permitted stationary source's annual air permit fees. Currently, Title V air permit holder's pay GHG RP fees of 15% of annual fees, while ACDP holders pay 7.31%. All GHG RP fees are currently capped at \$4,500. Under the adopted temporary rules, the GHG RP fee for both Title V and ACDP permit types is 20%, with a minimum fee of \$500 and a maximum annual cap of \$9,000 per source. This fee increase rulemaking is proposing to adopt fee rules identical to those adopted by EQC during the temporary rulemaking.

Reasons

The proposed fees are necessary to maintain current service levels for implementing the GHG RP and to support regulated companies in understanding the requirements and how they apply to each company. Program costs have increased due to inflation, annual cost of living increases, rising benefit expenses and program implementation costs. Although current fees have sustained the program for the past 10 years, they are no longer sufficient to cover staff costs and technology upgrades, necessary for ongoing programmatic activities and services to the public and regulated communities.

For example, the table below illustrates one factor contributing to cost increases, program staffing expenditures. The table compares the 2015-17 Legislatively Approved Budget for the GHG RP to the 2025-27 Legislatively Approved Budget. The comparison is of program limitation

and indirect costs divided by the number of approved full-time equivalent (FTE) to determine a per FTE cost.

Budget Years	Legislatively Approved Limitation and Indirect Costs	Legislatively Approved FTE	Cost per FTE	Percent of Change
2015-17	\$719,288	2.0	\$359,644	
2025-27	\$1,801,601	3.25	\$554,339	54%

In addition to the increases in staffing expenditures, the program must maintain necessary funding to support technological activities which make the program efficient for both DEQ and affected parties. Additionally, since invoices for the program are issued annually, a sufficient ending balance is needed to ensure that all incurred costs of the program's operations are fully funded throughout the year.

Fee proposal alternatives considered

DEQ considered the following alternatives:

- **Alternative 1:** Delaying the fee increase would result in a revenue shortfall for the program, negatively affecting program operations and staffing levels. Without adequate staffing and technical support, companies regulated under the reporting rules would be impacted, potentially hindering their ability to properly comply with reporting requirements.
- **Alternative 2:** Maintaining current fee rates for each permit type while removing the existing fee cap of \$4,500. While this option would generate enough revenue for the program, it would result in disproportionate impacts to certain fee payers with significant increases to several individual sources while introducing no changes in fees for many other companies.

Fee payers

The proposed fee increases would impact approximately 220 greenhouse gas reporting entities holding air quality permits. These are sources required to maintain Title V or ACDP air quality permits and subject to requirements of the GHG RP in OAR 340-215. This includes a wide variety of industrial, institutional, and manufacturing facilities, as well as electricity generating facilities throughout Oregon.

Affected party involvement in fee-setting process

The fee increase was authorized through the 2025-2027 budget process. DEQ met with key representatives of air permit holders that would be potentially impacted by the proposed fee adjustments. During the meetings staff and representatives worked through the proposed structure and design of the changes, to communicate the impact and to further describe the need for increased revenue.

DEQ will convene a Fiscal Advisory Committee for this rulemaking with interested parties representing the impacted communities including industry, small business, and environmental organizations. Feedback from the committee and the public will inform DEQ's fiscal impact analysis.

Summary of impacts

The proposed rule amendments establish an updated fee structure and increase the costs for sources subject to Oregon's greenhouse gas reporting requirements and holding air quality permits. This includes approximately 85 Title V sources, 132 ACDP holders, and any future facilities that become subject to these requirements. The proposed fees are calculated at 20 percent of existing annual air permit fees, with a minimum of \$500 and a maximum annual cap of \$9,000 per source.

Based on existing invoicing data, DEQ estimates that the increase from current fees per permitted source ranges from a low of a \$335 annual increase, with a maximum increase of \$4,500 for the most complex permit holders. Of the 217 sources currently reporting to the program 4 sources would pay the \$500.00 minimum fee, 29 sources would meet the requirements for the fee cap of \$9,000.00, while the remaining 185 would pay 20 percent of their air permit fees.

Because the GHG RP fee is calculated as a percentage of air quality permit fees, any modification to a permit or a change to the permit that impacts the assessed air permit fees would also affect the associated GHG RP fee. Different permit types have varying base fees, which in turn result in different GHG RP fee amounts. In addition, if base permit fees are adjusted, GHG RP fees would increase or decrease proportionally. For example, in January 2026, DEQ proposed an [Air Contaminant Discharge Permit Fees 2026 rulemaking](#) that would increase certain ACDP fees by 20%. If those rules are adopted, the ACDP permit fees would be modified and the GHG RP fees for affected ACDP permit holders would correspondingly adjust.

A similar relationship exists between GHG RP fees and DEQ's technology fee, assessed through the Your DEQ Online system. In 2021, the Oregon Legislature passed Senate Bill 58, which authorized DEQ to charge a small percentage fee on financial transactions conducted through Your DEQ Online. That fee is currently 4% of the transaction conducted. Because GHG RP program fees are assessed through the Your DEQ Online system, those invoice transactions are subject to the 4% technology fee. Any changes to the GHG RP would correspondingly incur a related change in the YDO technology fee. As proposed in this rulemaking, DEQ anticipates that GHG RP entities will pay a minimum technology fee related to their GHG RP invoices of \$20 with a maximum of \$360, for those GHG RP entities paying the largest GHG RP fees.

Fee payer agreement with fee proposal

DEQ engaged fee payers and their representatives throughout the development of the agency's 2025-2027 biennial budget and legislative approval process. DEQ met with key representatives of fee-paying sources several times prior to the development of the proposed amendments. At these meetings, DEQ presented explanations for the need for the fee increase, options for structuring the increase, and subsequently provided updated options in response to their

feedback. The proposed amendments incorporate the feedback from the fee payer representatives.

How long will the current fee sustain the program?

DEQ anticipates that under known circumstances this fee increase will be able to sustain current service level operations for a minimum of four years, or two biennia.

Current fees

Fee Last Changed: 2010

Program costs covered by fees	\$1,801,601	100%
Program costs covered by General Fund	\$0	0%

Proposed fees

Expected effective date: April 2026

Expected biennial change in revenue (+/-)	\$950,000	100%
Main GF required by statute/rule to fund program	\$0	0%
Proposed fee allows General Fund replacement	\$0	0%

Transactions and revenue

Biennium	Number of transactions	Number of fee payers	Impact on revenue (+/-)	Total revenue (+/-)
Current biennium 2025-2027	217	217	\$950,000	\$1,830,000
Next biennium 2027-2029	434	217	\$1,900,000	\$2,780,000

Fee schedule

Air Contamination Discharge Annual GHG Fee	
Greenhouse Gas Reporting, as required by OAR chapter 340, Division 215	\$ 500 or 20% of the applicable ACDP annual fee in OAR 340-216-8020, Table 2, Part 2, whichever is greater and not to exceed \$9,000.

Title V Annual GHG Fee	
DEQ will assess an annual Title V Operating Permit greenhouse gas reporting fee, as required by OAR 340-215-0060(1)	20% of the applicable annual and emissions fee under OAR 340-220, not to exceed \$9,000

Statement of fiscal and economic impact

Fiscal and economic impact

Increasing the GHG RP fees would raise costs to the affected permit holders but ensures that the program has adequate funds to support its operations. Fully funding the program ensures that the agency can provide technical and compliance assistance to those regulated entities, reducing the risk of non-compliance and related enforcement actions or costs.

Statement of cost of compliance

State agencies

The proposed rules would increase the GHG RP fees for state agencies that own or operate an air permitted facility holding a Title V or ACDP permit and that emit emissions at or above the applicability threshold for the GHG RP. Based on the latest invoice data for the program the fee increases would impact up to seven facilities owned or operated by the state.

Example: Oregon State Correctional Institution is an example of a State-owned facility that is required to hold an ACDP permit. It is estimated that the proposed GHG RP program rule changes would increase their GHG RP fees by \$335 annually.

Local governments

The proposed rules would increase the GHG RP fees for local governments that own or operate an air permitted facility holding Title V or ACDP and that emit emissions at or above the applicability threshold for the GHG RP. Based on the latest invoice data for the program the fee increases would impact up to 16 facilities owned or operated by local governments, primarily landfills operating throughout Oregon.

Public

The proposed rules include fee increases that only directly impact air permitted stationary sources meeting the GHG RP threshold requirements. The proposal does not directly increase costs to the public.

Large businesses - businesses with more than 50 employees

Based on an analysis of DEQ 2025 invoice data and 2024 data from the Oregon Employment Department, DEQ identified approximately 187 large businesses holding air quality permits and reporting to the GHG RP. Of the large businesses identified as reporting to the GHG RP the change in fees from current rates ranges from an estimated increase of \$335-\$4,500, depending on the air quality permit type the facility holds.

Small businesses – businesses with 50 or fewer employees

Based on an analysis of DEQ invoiced data and 2024 data from the Oregon Employment Department, DEQ identified approximately 22 small businesses holding air quality permits and reporting to the GHG RP. Of the small businesses identified as reporting to the GHG RP the

change in fees from current rates ranges from an estimated increase of \$335-\$4,500 depending on the air quality permit type the facility holds.

ORS 183.336 Cost of Compliance Effect on Small Businesses

a. Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.

Using recent employment data, compared to DEQ GHG RP invoicing records DEQ estimates the fee increase would affect approximately 22 small businesses. Examples of those types of businesses include forest products manufacturing, biogas electricity generating, and animal food processing facilities.

b. Projected reporting, recordkeeping and other administrative activities, including costs of professional services, required for small businesses to comply with the proposed rule.

The proposed rules do not require any new or additional activities or change any reporting or recordkeeping obligations under the GHG RP rules. Air permitted stationary sources already pay annual GHG RP fees to DEQ, these fees would be increased under the proposed rules.

c. Projected equipment, supplies, labor and increased administration required for small businesses to comply with the proposed rule.

The proposed rules will not require any additional equipment, suppliers, labor or increased administration resources. Air permitted stationary sources already pay annual GHG RP fees to DEQ, these fees would just be increased under the proposed rules.

d. Describe how DEQ involved small businesses in developing this proposed rule.

DEQ will include representatives of small businesses on the rules advisory committee meeting to discuss the fiscal impacts of the proposed fee increase. During and after the meeting committee members are encouraged to provide input on how the proposed rules impact small businesses and how these impacts can be mitigated.

DEQ will provide rulemaking notice to all fee-payers reporting to the GHG RP. These groups included small businesses.

Documents relied on for fiscal and economic impact

- [Air Contaminant Discharge Permit Fees 2026: Draft Fee Tables](#)
- Employment Data: Employment Department, 875 Union Street NE, Salem OR 97311
- [Your DEQ Online Frequently Asked Questions](#)
- GHG Fees 2025 YDO Report_11_13_2025: DEQ HQ, 700 NE Multnomah St #600, Portland, OR 97232
- GHG Reporting Program Draft Revenue Scenarios: DEQ HQ, 700 NE Multnomah St #600, Portland, OR 97232

- Greenhouse Gas Sources 2024.xlsx: DEQ HQ, 700 NE Multnomah St #600, Portland, OR 97232
- [2025-2027 SB 5520 Budget Report and Measure Summary](#)
- [Temporary Rulemaking Action Item C: Greenhouse Gas Reporting Fee Adjustment](#)

Advisory committee fiscal review

DEQ appointed an advisory committee. As ORS 183.333 requires, DEQ will ask for the committee's recommendations on:

- Whether the proposed rules would have a fiscal impact.
- The extent of the impact.
- Whether the proposed rules would have a significant adverse impact on small businesses.
- Whether, if there is a significant adverse impact on small businesses, if DEQ has reduced the impact on small businesses as ORS 183.540 requires.

The committee will review the draft fiscal and economic impact statement and may provide comments and feedback to DEQ.

Housing cost

As ORS 183.534 requires, DEQ evaluated whether the proposed rules would have an effect on the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel. DEQ determined the proposed rule amendments would have no effect on the development costs because the proposed fee adjustments apply only to a subset of air permitted facilities reporting to the GHG RP, such as power plants and industrial facilities. These fees are part of an air permitted facilities expected operating costs and do not affect development or costs associated with materials, labor or construction.

Racial equity

ORS 183.335(2)(a)(F) requires state agencies to provide a statement identifying how adoption of this rule will affect racial equity in this state. There are no expected impacts to racial equity in the state resulting from the proposed amendments. The amendments adjust existing fees for all air permitted facilities required to report to the GHG RP. The additional revenue generated is limited to maintaining the current level of program operations and does not expand or alter the program's scope, regulatory functions, or enforcement activities. As these amendments support the continued regular operation of the existing program without introducing new policies or changes to implementation, no direct or disproportionate impacts to racial equity are anticipated.

Environmental justice considerations

ORS 182.545 requires natural resource agencies to consider the effects of their actions on environmental justice issues.

Environmental justice is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, culture, education or income with respect to the development, implementation and enforcement of environmental laws, regulations and policies. DEQ is committed to incorporating environmental justice best practices into its programs and decision-making, to ensure all people in Oregon have equitable environmental and public health protections.

Climate change caused by human activities that produce greenhouse gas emissions poses significant risks to the health, safety, and welfare of all Oregonians. Accurate and verified emissions data collected through Oregon's GHG RP is essential for identifying major sources of these emissions, quantifying and tracking them, and taking action to reduce Oregon's contribution to global emissions. This data is essential in the implementation of our state's most impactful programs to mitigate greenhouse gas emissions, co-pollutants that pose public health risks to nearby communities, and anthropogenic climate change. GHG RP data provides the foundation for effective climate action by enabling transparency and making critical emissions information publicly accessible. Reliable and accurate data is essential for ensuring policies are implemented fairly and equitably. It supports accountability and empowers meaningful participation from our communities in shaping state and local climate policies and programs.

The proposed amendments would ensure that the GHG RP has the revenue needed to sustain program operations and implementation. These amendments are necessary for the program to continue collecting, auditing, and providing this essential emissions data to the public, and to effectively support greenhouse gas mitigation efforts.

Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age, sex, religion, sexual orientation, gender identity, or marital status in the administration of its programs and activities.

For translation or other formats, visit DEQ's [Civil Rights and Environmental Justice page](#).