

CFP 2026 Rulemaking: Rulemaking Advisory Committee Meeting #1 Discussion Paper

This discussion paper for the 2026 Clean Fuels Program rulemaking is meant to inform our committee members, regulated parties, and the public about the main topics for this rulemaking ahead of the first meeting of the committee. It also contains a summary of the feedback we received from the pre-rulemaking listening session on December 2025.

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Background and Overview

The Clean Fuels Program helps reduce greenhouse gases and other harmful emissions from transportation fuels used in Oregon. Since launching in 2016, the program has reduced more than 16 million tons CO₂e, equivalent to almost five percent of the state’s emissions in 2023 and 2024.

In 2022, the Environmental Quality Commission unanimously adopted a rulemaking that set targets for the Clean Fuels Program of reaching a 20% reduction in 2030 and 37% reduction in 2035 in order to provide certainty for the low-carbon fuels market and help Oregon meet its climate and air quality goals. In adopting those targets, the EQC considered a 2022 study¹ by the University of California, Davis, showing that expanding the program through 2035 would help avoid more than a dozen deaths per year, and save Oregonians \$87 million/year in health care costs. That analysis did not include the significant health benefits resulting from broader transportation electrification at the time, since those gains were assumed to be due to other transportation decarbonization policies. Those policies have since been suspended pending legal action, leaving CFP and the state’s EV rebate policies to help ensure continued transportation electrification.

In November 2025, Governor Kotek issued Executive Order 25-29², which directed the Department of Environmental Quality and the EQC to accelerate action to mitigate climate change. The order directs DEQ and EQC to:

¹ [That study on the air pollution benefits of the program is available here.](#)

² [The executive order is available here.](#)

- **Increase Supply and Use of Low-Carbon Fuels.** DEQ and the EQC shall evaluate the status and projected growth of the clean fuels market and update the Oregon Clean Fuels Program Rules to strengthen the Low-Carbon Fuels Standard (LCFS) to establish a reduction in carbon intensity of not less than 50% by 2040. DEQ is directed to evaluate the scope and stringency of the LCFS programs in neighboring states in proposing new targets and propose additional rule revisions if needed to better align the Oregon Clean Fuels Program with those neighboring jurisdictions based on that evaluation. [...]
- **Increase Strategic Electrification of Vehicles and Buildings.** Agencies shall take appropriate actions necessary within their existing authorities to align programs, decisions, and investments to advance the state's interest in increasing cost-effective, strategic electrification of vehicles, buildings, and water heating systems while also supporting affordable and reliable energy for Oregon ratepayers.

Rulemaking Scope

This rulemaking will examine and explore potential rule changes in the following policy areas:

- The status of the clean fuels market, including proposing carbon intensity standards to target at least a 50% reduction through 2040, and assessing if any adjustments to the existing standards should be made.
- The low carbon fuel standard programs of neighboring jurisdictions – namely, California, Washington, and British Columbia – and whether additional revisions to the CFP would improve alignment.
- The program's existing transportation electrification provisions and opportunities to increase the strategic electrification of vehicles in a cost-effective way while supporting affordable and reliable energy for Oregonians.
- The program's off-site renewable electricity provisions and how to accommodate changes in electricity carbon accounting and policies since the 2021 rulemaking.

This rulemaking may consider additional changes to the program to clarify its regulations and procedures, based on input from regulated parties, fuel producers, other interested parties, and the department's experience implementing the program.

Approach to target-setting

Last year, in order to monitor the effectiveness of the program and create tools to analyze the effects of changes in the market and external policies, DEQ engaged the Institute for Transportation Studies at the University of California, Davis to modify two California models and adapt them to Oregon. The first, a fleet turnover model, estimates how many of each type of vehicle will be in Oregon in the future and what kinds of fuel those vehicles will demand. The second is a low carbon fuel standard compliance scenario model³, which determines how that demand can be met with a mix of fossil and low-carbon fuels.

DEQ will request public input on these models during this rulemaking, which will be used to finalize scenarios to inform the carbon intensity standards that will ultimately be presented to the EQC. DEQ also plans to compare the results from those scenarios to a business as usual estimate to show the health benefits of the policy proposal using EPA's CO-Benefits Risk Assessment Health Impacts Screening and Mapping Tool (COBRA) and will include those benefits in its analysis for the Notice.

³ The Transportation Transitions Model and Fuel Portfolio Scenario Model, respectively. These models have been used in [papers published on both vehicle fleet turnover](#) and [analyzing the California Low Carbon Fuel Standard](#) during their last rulemaking.

UC Davis and DEQ are working on the models and hope to present preliminary results at the second RAC meeting. As with previous illustrative compliance scenarios, these will be limited by some conservative assumptions, including that they will not rely on fuels that have not yet been commercialized, and will not assume that vehicles will be replaced more quickly than they have been in the past. DEQ will work with UC Davis to explain the models, inputs, and results and provide as much of the underlying data publicly for review.

The illustrative compliance scenarios provide examples of how compliance with the program's standards may be met in the future. Like all forecasts, they can't predict the future and will be wrong, potentially significantly⁴.

As we go through this rulemaking we'll be asking for review and comment on the draft scenarios to find errors, propose possible analytical adjustments, and see if compliance across the produced scenarios is overly dependent on a single fuel or advancement. As with the previous target-setting rulemaking, we plan to use multiple different compliance scenarios to analyze where to propose future targets.

What we talk about when we talk about target-setting

In the 2022 rulemaking that expanded the program as described above, DEQ asked the Rulemaking Advisory Committee to rank values or priorities for the agency to keep in mind while setting targets. Those priorities, in order of how the 2022 RAC voted on them, were:

- Maximize greenhouse gas reductions
- Commercialize fuels and vehicles that will lead to deep decarbonization
- Investments in fueling infrastructure
- Health benefits to local communities from reduced tailpipe emissions
- Achieving short-term emissions reductions from the existing fleet through the greater use of biofuels

Notably, the above values and priorities are not mutually exclusive. When setting targets, we can use illustrative compliance scenarios to understand our ability to achieve those values or priorities based on how the targets are set.

⁴ For example, the illustrative compliance scenarios that ICF developed for the program in 2017 forecasted that there would be more PHEVs than EVs on the roads in 2025 – 59,200 EVs to 136,600 PHEVs in one of the scenarios. As of September 2025, 92,700 EVs were registered in Oregon compared with 37,100 PHEVs. Those scenarios also only forecast that up to 2% of Oregon's diesel could be replaced with renewable diesel. In 2024, 21% of the diesel pool was renewable diesel, falling to 9% for the first three quarters of 2025.

These examples are not provided to diminish the 2017 illustrative compliance scenarios – they were our best effort with ICF to analyze if and how the 10% target in 2025 could be reached through a variety of different fuels. We produced three scenarios that hit the 10% target – a high biofuels case, an advance technology case, and a blended case that minimized early banking of credits.

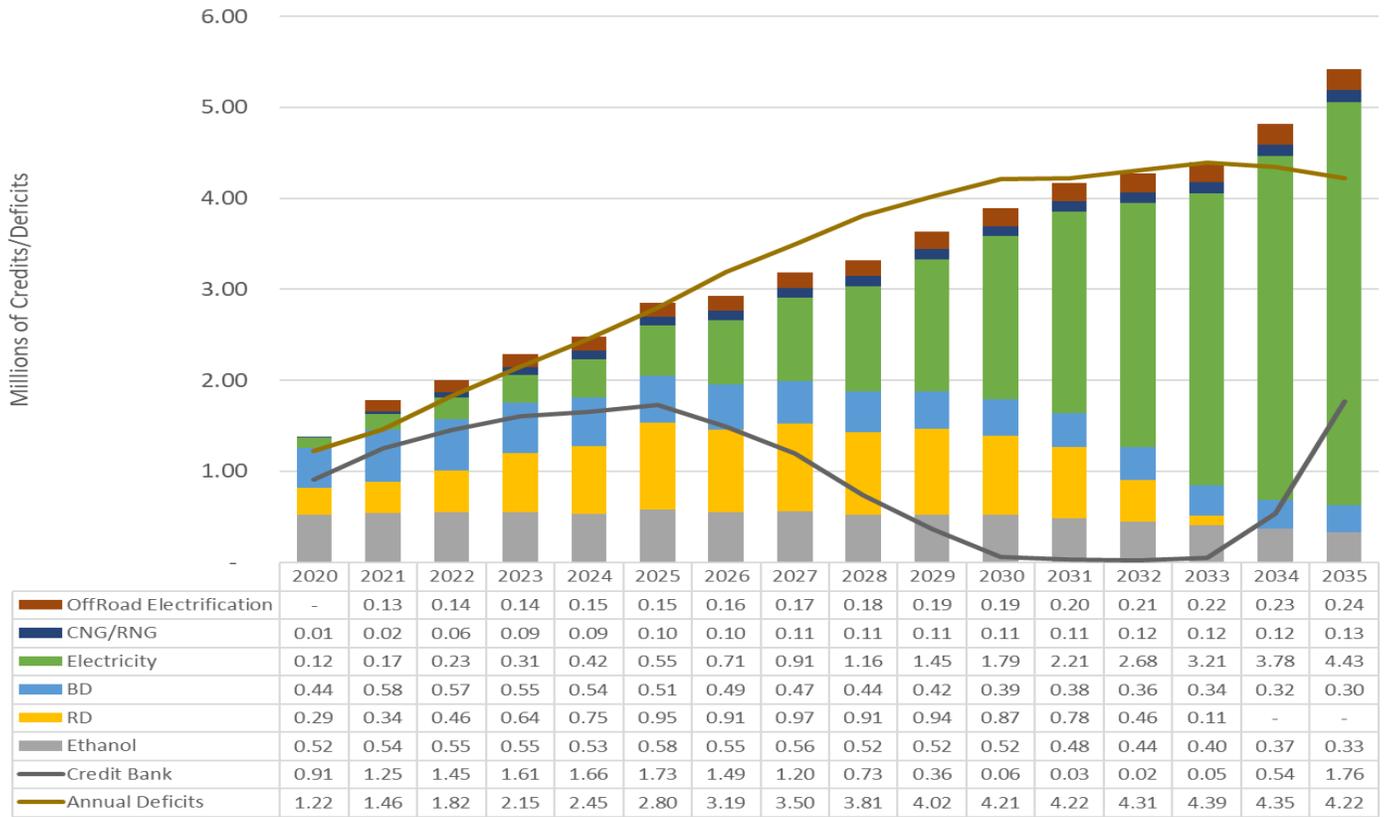


Figure 1. Compliance graph for Scenario A, from the 2022 ICF Final Report on the Illustrative Compliance Scenarios. Scenario A modeled hitting a 25% standard in 2035, with linear targets between that year and 2025's 10% standard.

In the 2022 rulemaking, we determined that the 20% by 2030 and 37% by 2035 targets would support the deployment of additional zero-emissions vehicles while still demanding and supporting the deployment of biofuels in the existing fleet to maximize near-term carbon emissions reductions and lower criteria and air toxics emissions. The modeling for that rulemaking showed that lower targets would have been met through biofuels in the early 2030s, and then increasing electricity credits would have largely crowded out biofuels back to levels required by the state renewable fuels standards.

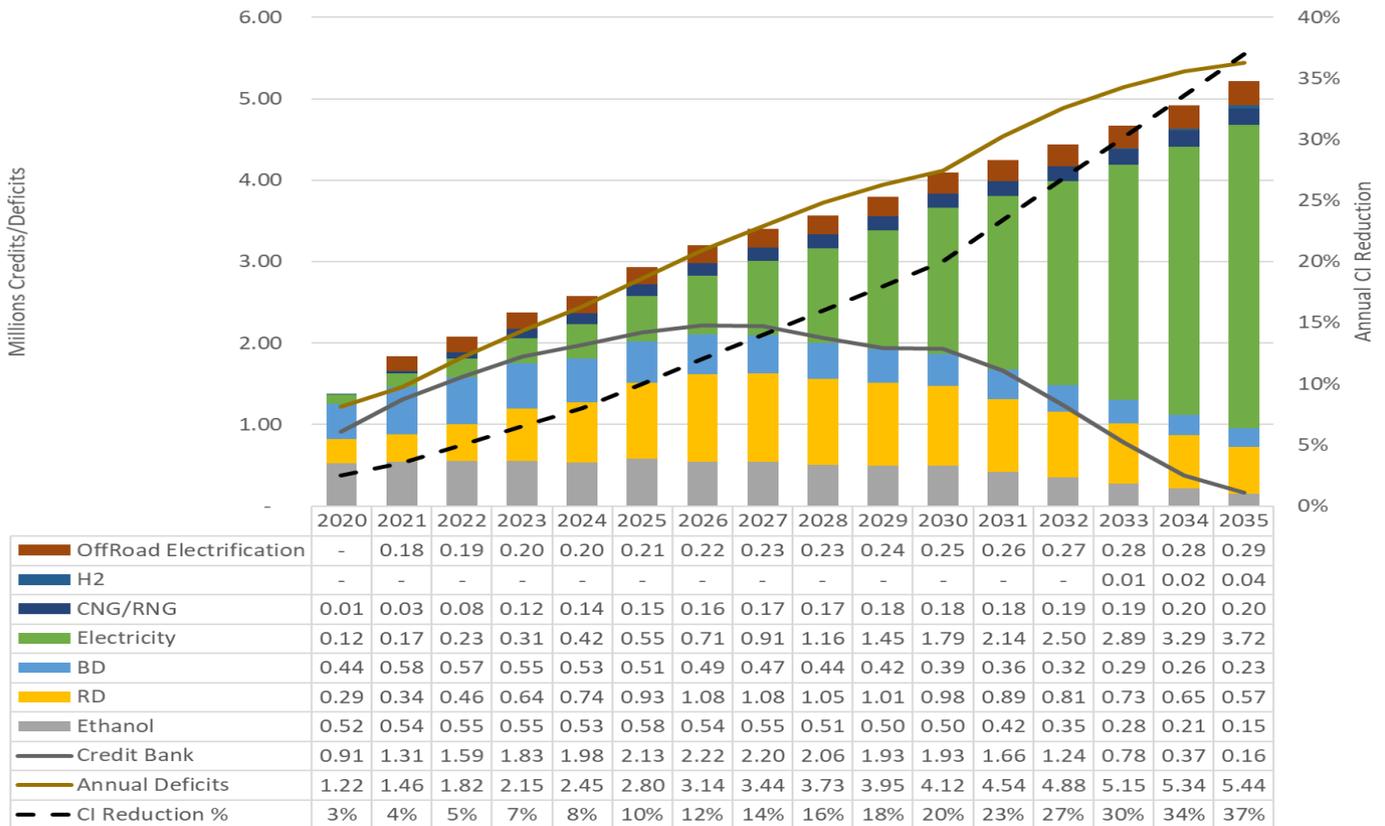


Figure 2. Compliance graph for Scenario C, from the ICF Final Report on the Illustrative Compliance Scenarios. This scenario modeled the 20% by 2030 and 37% by 2035 standards, the targets ultimately adopted in the 2022 rulemaking.

As DEQ staff wrote when proposing those targets in 2022:

The modeling of these scenarios indicates that to facilitate the contributions of [renewable diesel, biodiesel, ethanol, electricity, hydrogen, and renewable natural gas], it is critical that the 2035 target be greater than 25%. It is commonly understood that while current and future regulations will transition the vast majority of vehicles to zero emission, there will be a continued demand for low-carbon liquid fuels for decades. The higher target will allow for continued incentives for investments in lower-carbon gasoline and diesel replacements such as ethanol, biodiesel, and renewable diesel, allowing these fuels to maintain their positions in the market.

Reviewing our neighbors’ programs for alignment

During this rulemaking, DEQ plans to review the California, British Columbia, and Washington clean fuel programs to determine if adjustments to the Oregon program are needed to remain in alignment. Our intent is not for our program to be identical to another jurisdiction’s, but to remain harmonized wherever that helps in achieving our regional aims, clarifies compliance for companies operating in the different jurisdictions, and where it does not conflict with other Oregon priorities for this program.

Depending on both the policy and implementation complexity of any potential adjustments, DEQ may propose changes to come into alignment with neighboring jurisdictions in this rulemaking or in a future one. As discussed in prior rulemakings, there are areas where statutory changes or additional staff resources could be needed in order to modify the program. For example, as discussed in the 2021 electricity rulemaking, the definition of a credit under ORS 468A⁵ does not allow for the Oregon program to have the capacity credits

⁵ See [ORS 468A.265 at this link](#) for the program’s statutory definitions.

provision that California and Washington use to issue credits for zero-emission vehicle fueling infrastructure. Adjusting the definition of a credit to allow for capacity credits would require legislative action.

There are also areas where the jurisdictions differ because of other legal authorities or design choices. For example, British Columbia uses a different lifecycle model – GHGenius – than Oregon, Washington, and California. The British Columbian program has also extended compliance requirements to aviation fuels which would be more difficult to replicate in a US legal context.

DEQ is soliciting feedback on which areas the Clean Fuels Program are out of alignment with our neighbors and how that affects both Oregon’s program and the harmonized signal to invest in and transition to low-carbon fuels that we are working to send.

How CFP currently supports transportation electrification

Electricity has been a credit generating fuel since the start of the Clean Fuels Program, but DEQ has modified the provisions surrounding it significantly in multiple rulemakings since 2015. Since the program started in 2016, electric vehicles on Oregon’s roads have generated over \$240 million in credits⁶.

Electricity credits are generated in multiple ways. For on-road vehicles, the credit generator is determined by whether the electric vehicle charger is at a residence with four or fewer units, or if it’s a public or private charger at a business, larger condominium or apartment building, or anywhere else charging is provided in the state.

The 2016-2017 rulemaking identified electric utilities as the best option to generate credits for residential charging, with a backstop aggregator being identified to receive credits for areas of the state where the utility has not opted to participate in the Clean Fuels Program. Registering the thousands of Oregonians who charge at home was not feasible for the program, and the utility is the fuel supplier for those Oregonians.

For non-residential charging, the owner of the charger generates the credits. The credit-generator could be the owner of a Direct Current (DC) Fast Charger that is open to the public, a parking garage operator that provides chargers, a transit fleet that uses electric vehicles, or a company that runs forklifts and electric delivery vehicles.

The program currently also allows credit generation from the following off-road electric vehicles: light rail, streetcars, aerial trams, forklifts, airport ground support equipment, cargo handling equipment, and shorepower used to power ships at dock so they do not need to run diesel or bunker fuel generators.

The Clean Fuels Program uses three main types of electricity carbon intensity values:

- Statewide mix, which represents the average carbon intensity of electricity in Oregon and is calculated using data reported to DEQ’s Greenhouse Gas Reporting Program. The statewide mix CI value is updated every year with the most recent set of reported data, meaning that the 2026 value was calculated using 2024 data.
- Utility-specific mixes, which represent the average carbon intensity for a specific utility. These are also updated annually in the same way that the statewide mix is.

Renewable electricity pathways are the third type of carbon intensity value for electricity. Owners of chargers can generate greater amounts of CFP credits by using on- or off-site renewables, and utilities can lower their carbon intensity as well. These renewable electricity mechanisms are:

- On-site renewable electricity, which is used when an EV charger has solar or wind power at the same location.

⁶ Value calculated by the number of electricity credits generated in that year times the annual average credit price.

- Off-site renewable electricity, which is backed by the use of Renewable Energy Certificates (RECs). Some forms of off-site renewable electricity, such as solar and wind, have a deemed CI of 0, while others, such as biomass or biogas, have producer-specific pathways, similar to how it works for liquid fuels.
- Utility Renewable Electricity Products, which are tariffs offered by utilities that match customer's electricity use with RECs.

The 2021 CFP rulemaking changed the electricity rules in the following ways:

- Added the offsite renewable electricity options.
- Excluded utility-specific mixes from the statewide mix calculation so the statewide mix CI would more accurately reflect the electricity not separately being accounted for in utility-specific CIs.
 - Also created a one-time adjustment for the statewide mix calculation to recognize the shutdown of the Boardman coal-fired power plant.
- Increased the frequency of calculation and issuance of residential charging credits for utilities and the backstop aggregator from once to twice per year.
- Created a process for new types of electric vehicles to request energy economy ratios.
- Created an advance crediting provision that would allow public fleets and their contractors to request advance issuance of up to six years' worth of credits for a vehicle or piece of charging equipment.

Using DMV data, we can see that the growth in the share of new vehicle sales that are EVs has slowed over the last two years, with the percentage of new EVs entering the fleet hovering around 15% since the beginning of 2024.

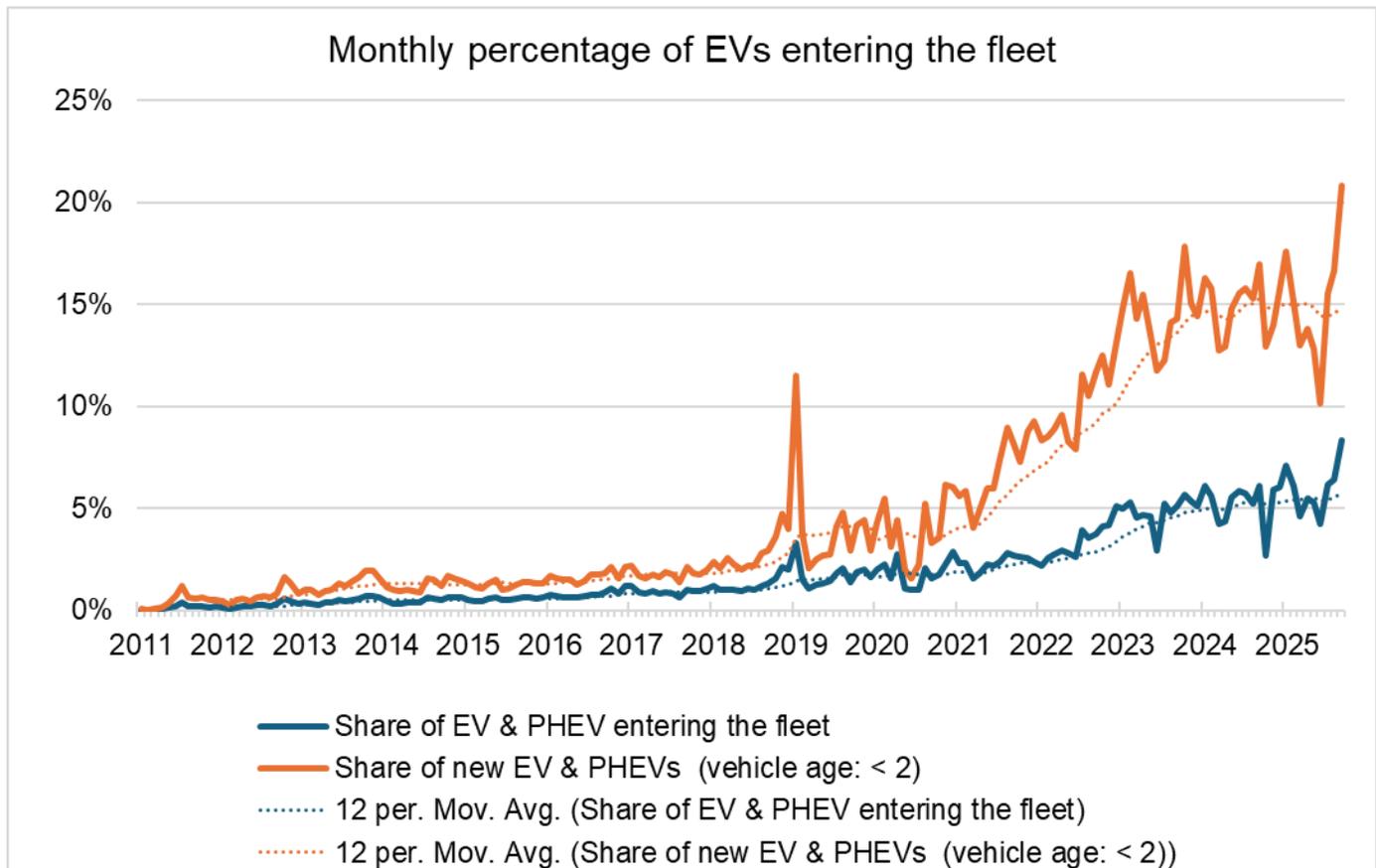


Figure 3. This figure shows the addition of EVs into the fleet based on Oregon DMV records. The orange lines show the share of EVs and PHEVs under 2 years old, and the blue lines are the share for the entire fleet at all vehicle ages. Dotted lines are the 12-month moving average.

Credit generation from EVs has continued to increase over the life of the Clean Fuels Program, with the following graph showing the different sources of electric credit generation. The “Fixed Guideway” category refers to streetcar, light rail, and aerial tram, while the “Other” category includes shorepower for ocean going vessels, cargo handling equipment, and ground support equipment. The decline in forklift credits is due to DEQ deciding in 2023 to disallow an estimation method the agency deemed was generally over-estimating charging by those vehicles.

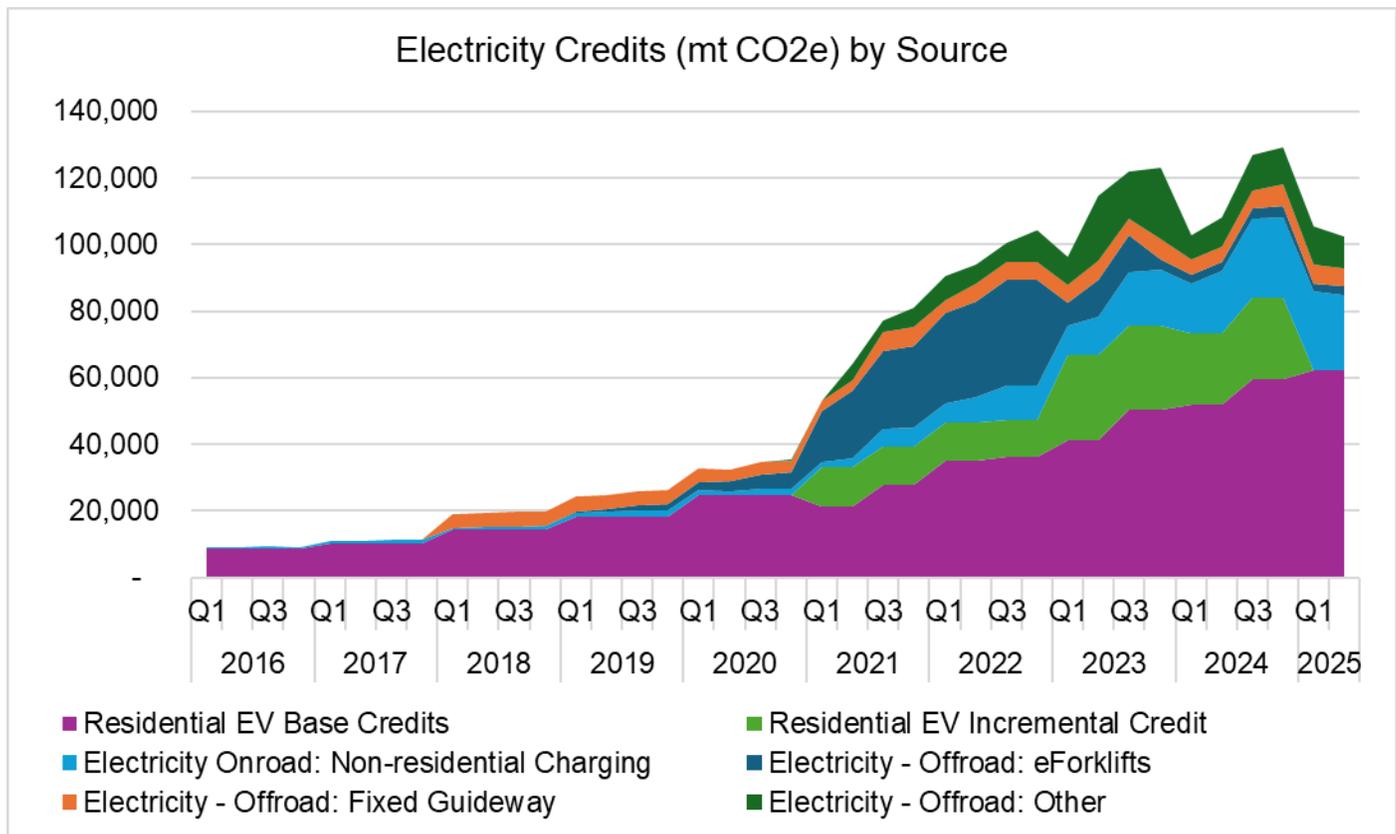


Figure 4. This graph shows electricity credit generation by vehicle type. Residential EV Incremental Credits (shown in bright green) are generated annually by utilities after EV charging for the full year has been calculated.

The figures above show that EV crediting has followed increased vehicle registrations, along with limited increases in the scope of offroad electrification crediting opportunities.

Electricity credits have also increased because of the uptake in the use of the renewable electricity provisions, with over 80% of all charging in the program using a utility-specific mix or a renewable electricity pathway.

Areas for possible action to increase electrification

At December’s listening session, DEQ asked the following questions around finding areas to further support transportation electrification.

- Given current market conditions, what is needed to support more Oregonians choosing to go electric?
- What strategic investments are needed for transportation electrification?
- Are there existing program provisions that could be modified to better support electricity?
- Are there new provisions we should consider and what are they?

- How can CFP best target equity in our program both generally and in incenting additional transportation electrification?

DEQ remains interested in feedback on those questions. Based on the feedback we have received to date and our own preliminary evaluation of options, the following are areas under investigation for helping support further strategic electrification of transportation in Oregon. This list is not exhaustive, and we are still researching other possibilities. Given the restriction that each credit must represent one ton of CO₂e reduction, we are not including provisions that award bonus credits, such as capacity credits⁷, in this list as that would require legislative action to change the program's authorizing statute.

- Confirm that the credit generators currently selected in rule for electric vehicle charging are aligned with the entities that have invested in providing charging publicly, or who have made the decision to electrify their fleet.
- Review how Advance Crediting – which is currently limited to public fleets and their contractors – could be extended to private fleets and public charging provided by private entities.
 - How can DEQ ensure that any private vehicles covered by advance crediting remain in use in Oregon for the payback period?
 - Are there ways to speed the review process for Advance Crediting to make the expansion more feasible given DEQ staff assigned to CFP are already at capacity?
- Review the Energy Economy Ratios (EER) for light, medium, and heavy duty EVs, and determine if they should be updated. These values are part of the credit calculation and adjust for the efficiency of the drivetrains so the credit calculations more accurately capture the full greenhouse gas benefit or disadvantage of a specific fuel and engine combination. The EER values for the general categories have been in place for many years, and DEQ plans to review and potentially update the underlying data of the analysis that produced the current EERs.
- Spending requirements on revenue from EV credits. Both California⁸ and Washington⁹ have placed requirements on how revenue from electricity credits may be spent, especially for electric utilities who receive credits because of their customers' residential charging. In the 2022 rulemaking, a requirement was added to have utilities start reporting how they spend CFP credit proceeds but without requirements on how that revenue was spent. [The utility spending reporting is available on DEQ's website](#). The vast majority of such spending is on transportation electrification-related activities, but there have been cases where credit revenue was used for heat pump incentives, for the utilities' own fleet, or where utilities have not monetized and used credits for several years. For this topic, DEQ would like feedback on the following questions:
 - The credits are generated due to purchasing decisions by individual Oregonians. How tied to those individuals should the benefits from credit revenue be?
 - What is the best use or uses of the credit revenue to support more electric vehicles on the road? Should the spending target public charging, incentives for purchasers, or something else?
 - At this point, do the answers to the above question matter based on the geography of an electric utility's territory?

⁷ [For more information, please see this explainer document from Ecology on their Clean Fuels Standard's capacity credit provision.](#)

⁸ [More information on California's utility spending requirements is available here.](#) In their most recent rulemaking, the directive that electricity credits would be used for transportation electrification was made more general.

⁹ [More information on Washington's utility spending requirements is available here.](#)

Renewable electricity and how we got here

As discussed above, the 2021 rulemaking added the program's offsite renewable electricity provisions. Prior to that rulemaking, the only available electricity carbon intensities were the statewide mix, utility-specific mixes, or renewable electricity if the renewables were directly connected to the chargers. The offsite renewable electricity provisions allowed for renewable energy being generated on the western US grid to be matched to electric vehicle charging in Oregon through the use of RECs. This has been adopted widely by charger operators, with the majority of EV charging in Oregon being matched with RECs from wind and solar generation.

The policy objective for this provision is to support transportation electrification by allowing electricity to achieve a lower, producer-specific CI like other fuels to both support investment in EV chargers and additional renewable resources to meet the demand that EVs are adding to the grid. At the time, overall electric demand was largely flat to declining in the west, which is no longer the case with increasing demand from datacenters and other high-energy facilities. There has also been progress made towards more organized electricity markets in the Pacific Northwest with the California Independent System Operator's (CAISO) Extended Day Ahead Market (EDAM)¹⁰ and the Southwest Power Pool's (SPP) Markets+¹¹ initiatives coming closer to going live in Oregon and Washington. Both of those organized markets will also pose additional complications for electricity carbon accounting that are likely outside the scope of this rulemaking.

Given that increasing demand for electricity and the need to decarbonize the grid to affordably meet our state's climate goals, in this rulemaking we will be examining our current renewable electricity provisions to:

- Determine how best to incentivize additional renewables in ways that support affordable and reliable energy for Oregon ratepayers, and
- Ensure that Renewable Energy Certificates (RECs) used to match renewable generation with EV charging or hydrogen production are not claimed in Oregon and another state at the same time.

Currently, our off-site renewable electricity provisions require that:

- RECs must be certified by the Green-e Program under their standard¹²,
- Any RECs must be generated by an electric generator that was placed into service after 2015, or in the case of biogas generators they must meet the 'new date' requirements of the Green-e Standard, which limit certification to RECs from generators that came online in the last 14 years, and
- The RECs must be generated from facilities located in the Western Electricity Coordinating Council (WECC)¹³ and be registered in the Western Renewable Energy Generation Information System.

Together, those requirements create a system where RECs accurately represent renewable generation delivered onto the western grid, the Green-e certification ensures that the RECs are not double-counted and retain their full carbon benefits when claimed in Oregon, and that we are targeting additional generation since at least the start of the program. Green-e is a decades-old voluntary market standard for renewable electricity that DEQ chose as it was well-understood and would ensure the environmental integrity of the program without requiring additional DEQ resources.

¹⁰ [More information on CAISO's EDAM is available here.](#)

¹¹ [More information on SPP's Markets+ is available here.](#) SPP is an independent system operator that covers a swath of the US from southeast New Mexico and the Texas panhandle up the midcontinent to North Dakota.

¹² [The current Green-e standard is available here.](#)

¹³ [A map of the WECC and its subregions is available here.](#)

Around the same time as the 2021 rulemaking, the legislature adopted HB 2021, which requires that the two large investor-owned utilities in Oregon reduce their emissions intensity by 80% by 2030, 90% by 2035, and 100% by 2040 from a 2010-12 baseline. Both the baselines and the utilities' progress towards them are measured by their reporting into DEQ's Greenhouse Gas Reporting Program, which does not take into account the presence or absence of RECs associated with the power the utilities serve to their customers.

However, this means that there can be double-counting between a REC being used to claim renewable electricity by an end user and separately the utility also having that counted as renewable power against the HB 2021 targets. In cases where the end user is served by that same utility this may not be concerning – elsewhere in the program fuel suppliers can generate credits for a renewable fuel that the end user may also validly claim to be using in their vehicles.

Green-e's standard is used for voluntary claims, which means they have different drivers than our regulatory programs. Because of their view of HB 2021, they have made the decision that "RECs associated with generation reported to the Oregon DEQ for compliance with Oregon HB2021 (2021 Legislature) are not eligible for use in a Green-e certified renewable energy product." Because Green-e is for the voluntary market, they target renewable energy being supplied that is above and beyond what a state law requires.

As we stated during the listening session, we are not taking a view on Green-e's decision, but it has limited the universe of RECs that may qualify for certification and thus curtails how much that part of the renewable electricity provision can be used in the Clean Fuels Program. It also means that qualifying RECs will be from renewable electricity projects located further away from Oregon in the western grid. That is because projects in Oregon and nearby are more likely to have their underlying power sold to utilities covered by HB 2021, and thus their RECs would be ineligible for certification.

Summary of listening session feedback

We want to thank everyone who submitted written comments to DEQ following our request for input at the listening session in December 2025. Commenters were generally very supportive of the Clean Fuels Program and DEQ's transportation decarbonization efforts and we appreciate the time taken to reflect on our questions. All comments received will be posted on our rulemaking webpage in full, and are summarized by topic below:

Carbon Intensity Standards and Modeling

Many commenters voiced strong support for extending the CFP's carbon intensity standards through 2040 and for considering adjustments to the pre-2035 targets. A couple of commenters requested longer-term certainty by looking at extending targets out to 2045 to align with other jurisdictions. Another commenter recommended going beyond the 50% CI reduction by 2040 to send the market signals to bolster lower-emission energy sources.

Several commenters encouraged CFP to add some type of commitment or mechanism for ongoing CI adjustments, for example, an Automatic Acceleration Mechanism (AAM) that would address overperformance and adjust the CI standards accordingly on a regular basis to keep the credit market balanced.

Other commenters encouraged DEQ to approach any adjustments to pre-2035 standards cautiously, with rigorous, Oregon-specific modeling and a thorough assessment of Oregon's unique fuel supply, demand, and infrastructure. They requested that when looking at post-2035 standards, new policies should maintain technology and fuel neutrality, lifecycle-based accounting, affordability, and flexibility to accommodate evolving fuel pathways. One commenter noted that the original legislative intent of the Clean Fuels Program was to support a diverse range of clean fuel options, not to mandate or prioritize electrification.

In terms of updated modeling, commenters cited major changes in federal policy and in the biofuels market globally and noted support for updated modeling that would reflect those changes and the most current

science and real-world conditions. There was one specific request for UC Davis and DEQ to provide a detailed description of the fuel portfolio scenario model in Oregon, and any data underlying the development of compliance scenarios for transparency. Commenters would also like to understand specifically how the modeling impacted any changes to the near-term targets.

One commenter emphasized that the CFP should not rely on outdated ILUC assumptions or introduce feedstock caps that could undermine technology neutrality and restrict fuel supply.

One commenter requested that DEQ evaluate program design options through an equity lens.

Transportation Electrification

Commenters provided DEQ with many ideas for how to bolster transportation electrification. Many noted Oregon's lack of authority for capacity crediting, and encouraged DEQ to determine another mechanism for helping to promote charging infrastructure projects. Others cited the advance crediting provision and that it could be further built out, including one idea to consider providing advance credits to public DCFC projects.

Several commenters voiced support for reevaluating guidelines on utility spending in order to strategically invest funds to advance transportation electrification. One commenter suggested requiring major credit generators, including utilities and aggregators, to publicly report how their CFP revenues are invested. Other ideas included establishing a priority investment framework to prioritize underserved communities and facilities, creating guardrails so proceeds drive additional electrification outcomes and center equity explicitly, and pairing CFP investments with upfront purchase incentives and utility rate structures that keep home charging affordable.

One commenter requested that CFP should continue to allow consumer-owned utilities to direct the proceeds of residential-based CFP credits, as this helps them focus on programs that make the most sense for their communities in promoting cleaner transportation. They noted that more stringent reporting and spending requirements would be detrimental to utility participation and ZEV promotion.

Several commenters suggested that lowering administrative barriers – without weakening the integrity of the program – would help more participation from smaller operators, in particular.

Other suggestions for DEQ to promote transportation electrification include:

- Target crediting and incentives where adoption barriers are highest.
- Explore whether electricity credits should be restructured to include higher value on electricity, which could help support charging and vehicle programs in underserved communities.
- Create a mechanism to reward charging when renewable generation is high.
- Provide opportunities for EV manufacturers to play a larger role in the program as eligible credit generators for residential EV charging. Automakers as credit generators would allow incentives to go back to the consumers and help build out charging infrastructure.
- Address the issue of take-home fleets not being able to capture credits for their private charging.
- Revise the energy economy ratio for light-duty EVs to reflect improvements to EV efficiency.
- Explore other methods of transportation electrification, including looking at public transit electrification, micromobility, medium- and heavy-duty charging corridors, workforce development, and charging in multi-unit dwellings and underserved communities.

Renewable Electricity Provisions

There was broad support for continued use of RECs, though differing opinions on how to continue their use. Multiple commenters suggested that the Green-e certification requirement should be removed. Those commenters called the certification requirement detrimental because it excludes some renewable energy generators based on the age of their projects. Others cited its substantial cost and administrative complexity,

and that it disincentivizes Oregon-sited RECs. They commented that removing the standard would support further electrification by increasing the net value of credits, specifically for electric fuel suppliers.

Some commenters suggested stronger geographic and temporal constraints on RECs, establishing clear standards so renewable attributes aren't double claimed for use in CFP and also to satisfy HB 2021 obligation, and strengthening third-party verification and auditing to prevent double counting.

One commenter suggested that DEQ define its own robust eligibility standards without deferring to a third-party organization. They also recommended that DEQ develop beneficial eligibility standards, avoiding restricting eligibility only to new facilities, and prioritizing impact over geographic scope (maintaining REC eligibility across the entire WECC).

One commenter, however, recommended that DEQ retain the Green-e requirement for RECs to demonstrate offsite renewable electricity under the CFP. They suggested that if DEQ does revise the requirement, it should establish another alternate framework to achieve equivalent protections so that RECs used for CFP are not also supporting HB 2021 reporting or other claims.

One commenter suggested that RECs should be able to be used in other fuel pathways, not just electricity, to encourage innovation and improve flexibility. They also suggested that it's important to avoid assumptions that electricity is inherently zero-CI.

One commenter also suggested that they would appreciate having the ability to spend CFP funding to increase their renewable energy generation – for example, funding low-income incentives for on-site renewable generation or utility-scale community solar projects.

Alignment with other jurisdictions

Several commenters cited notable differences between Oregon's CFP and other neighboring jurisdictions' programs, such as Oregon's lack of authority for capacity crediting, and not having an economy-wide cap-and-trade program. Commenters suggested that even if we aren't able to issue capacity credits, we should explore alternative mechanisms for building out charging infrastructure. Another commenter suggested that we not restrict or eliminate book-and-claim.

Other commenters voiced support for aligning our climate ambitions with California and Washington to keep Oregon competitive in the west coast market. One commenter suggested exploring mutually supportive regional approaches, like shared market-building and information hubs across clean fuel programs.

One commenter voiced support for avoided methane crediting.

One commenter suggested that we align with California and Washington and remove the Green-e certification requirement for RECs and allow more flexibility for renewable energy generators.

Other topics

One commenter requested clarity on whether any of the new California LCFS provisions are being considered in Oregon. Several commenters cited consumer affordability as one of their top priorities for the program. Several commenters voiced support for maintaining technology neutrality in the program.

One commenter requested that DEQ recognize novel vegetable oils and suggested that DEQ form a workgroup to determine how CFP can account for their benefits.

One commenter requested that DEQ allow producers to use book-and-claim for the generation of green hydrogen for renewable diesel and SAF, which might help bolster innovation around production and use of hydrogen.

One commenter requested that DEQ consider including fuel used in ocean-going vessels to be eligible under CFP.

One commenter requested that DEQ consider allowing renewable diesel used in rail as an opt-in fuel to incentivize decarbonizing the rail sector.

One commenter requested that DEQ consider allowing stationary generators using renewable diesel to opt into the program.

Non-discrimination statement

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