



Climate Protection Program EITE Rulemaking

Advisory Committee Meeting #1

May 28, 2026
DEQ Headquarters and Virtual



Welcome

- **Thank you for joining us today!**
- The meeting is being recorded
- Please join audio by either phone or computer, not both
- Committee members have audio and video enabled
 - Raise hand or press *9 to speak for discussion or questions
- Members of the public are in listening mode but will have audio enabled if giving public comment
- For immediate questions or technical support, please email cpp.eite@deq.oregon.gov

Meeting objectives

- Ensure advisory committee members get to know each other
- Review the context of the rulemaking and background
- Discuss key program elements

Rulemaking resources

EITE rulemaking web page

[Department of Environmental Quality : Climate Protection Program EITE : Rulemaking at DEQ : State of Oregon](#)

Rulemaking contact: Evan Manvel at cpp.eite@deq.oregon.gov

Notifications: [Subscribe to DEQ GovDelivery](#)

Climate Protection Program web page

[Department of Environmental Quality : Climate Protection Program : Climate Protection Program : State of Oregon](#)

Agenda

Time	Topic
10 a.m.	Welcome, meeting logistics and agenda overview
10:10 a.m.	Opening remarks
10:20 a.m.	Advisory committee member introductions
11 a.m.	Rulemaking goals, scope and timeline
11:15 a.m.	Benchmarks discussion
12:30 p.m.	Lunch break
1:30 p.m.	Reduction schedule discussion
2:45 p.m.	Break
2:55 p.m.	New products and processes discussion
3:45 p.m.	Public comment
3:55 p.m.	Wrap up and next steps

DEQ Climate Protection Team

Nicole Singh

Climate Protection Manager

Heather Kuoppamaki

Climate Program Engineer

Adam Heroux

Climate Program Coordinator

Matt Steele

Climate Policy Analyst

Bill Brady

Climate Policy Analyst

Whitney Dorer

Climate Policy Community Engagement Coordinator

Evan Manvel

Senior Climate Policy Analyst

Colin McConnaha

Office of Greenhouse Gas Programs Manager



Opening remarks

Leah Feldon, Director
Oregon Department of Environmental Quality

Advisory committee member introductions

What is your name and affiliation?

What motivated you to be part of this effort to develop rules for EITE sources?

What would a successful rulemaking outcome look like to you?



Meeting agreements

- Honor the agenda and strive to stay on topic
- Provide a balance of speaking time
- Bring concerns and ideas up for discussion at the earliest point in the process
- Address issues and questions – focus on substance and avoid personal attacks
- Seek to learn and understand each other's perspective
- Listen and speak with respect

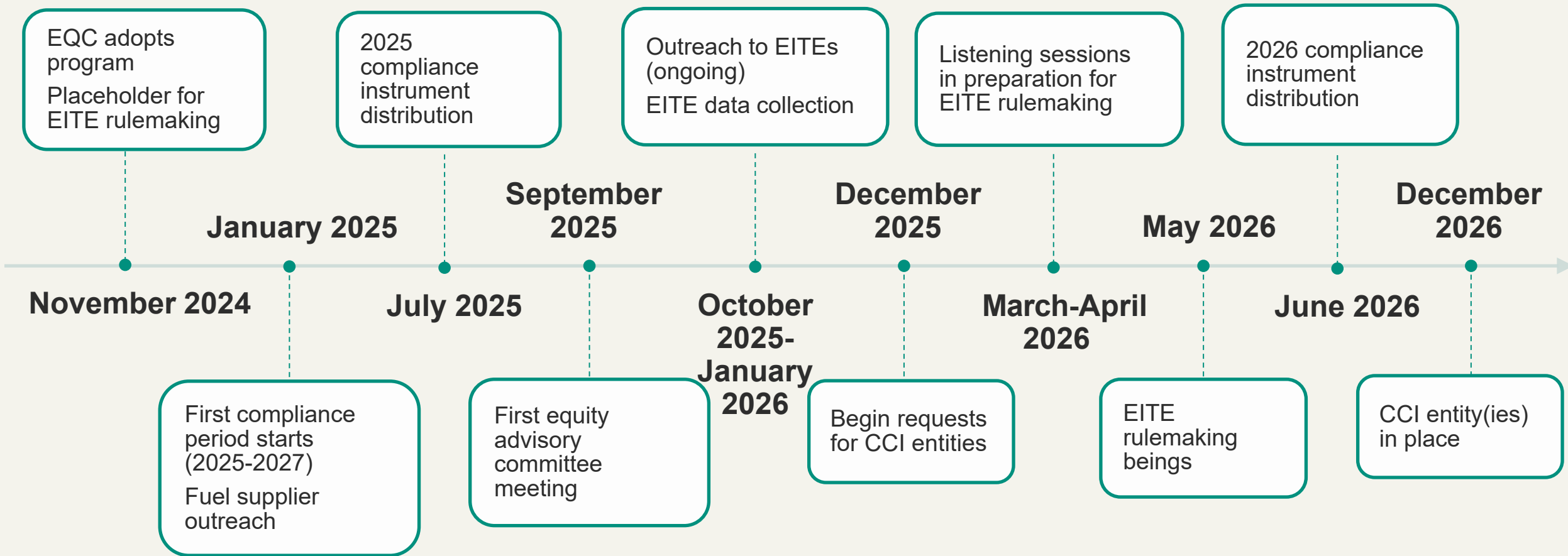
RAC member expectations

- Prepare for meetings and review materials
- Consult regularly with membership, constituencies, or communities
- Share expertise, lived experience, and perspective
 - Whether rules will have a fiscal impact, and if so, extent
 - Whether the rules will have a significant adverse impact on small businesses, and if so, how could DEQ reduce
 - Consider any racial equity and environmental justice impacts

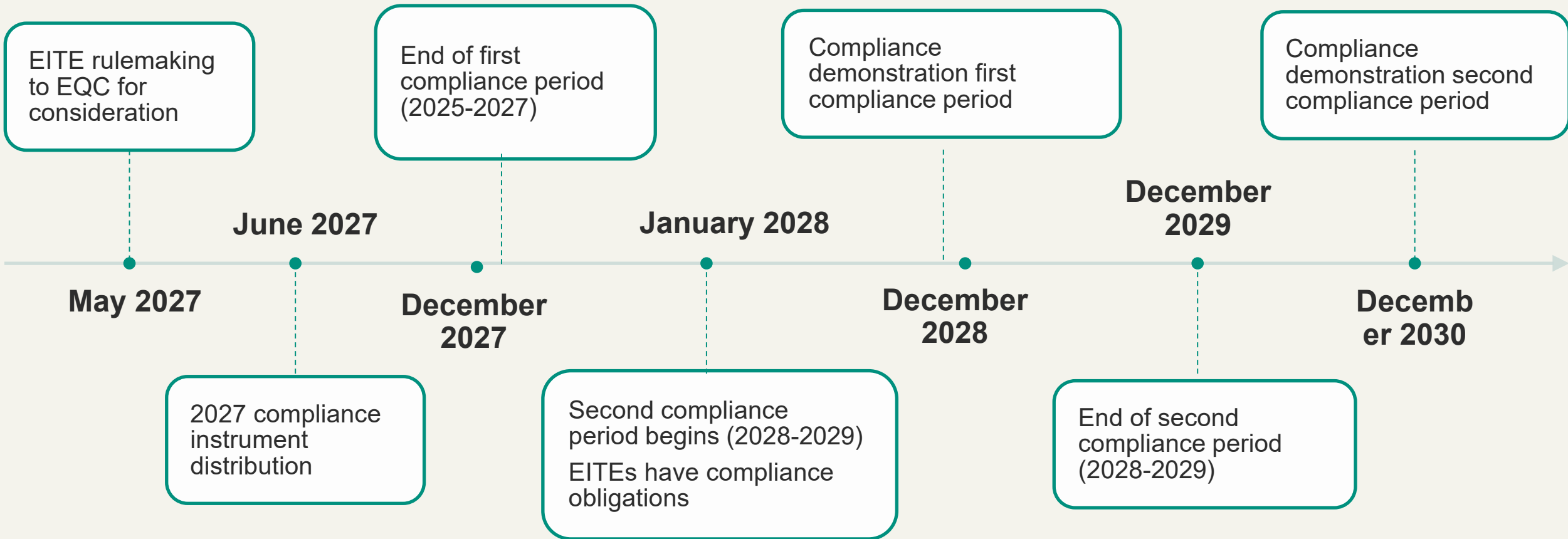
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Program implementation (1 of 2)



Program implementation (2 of 2)

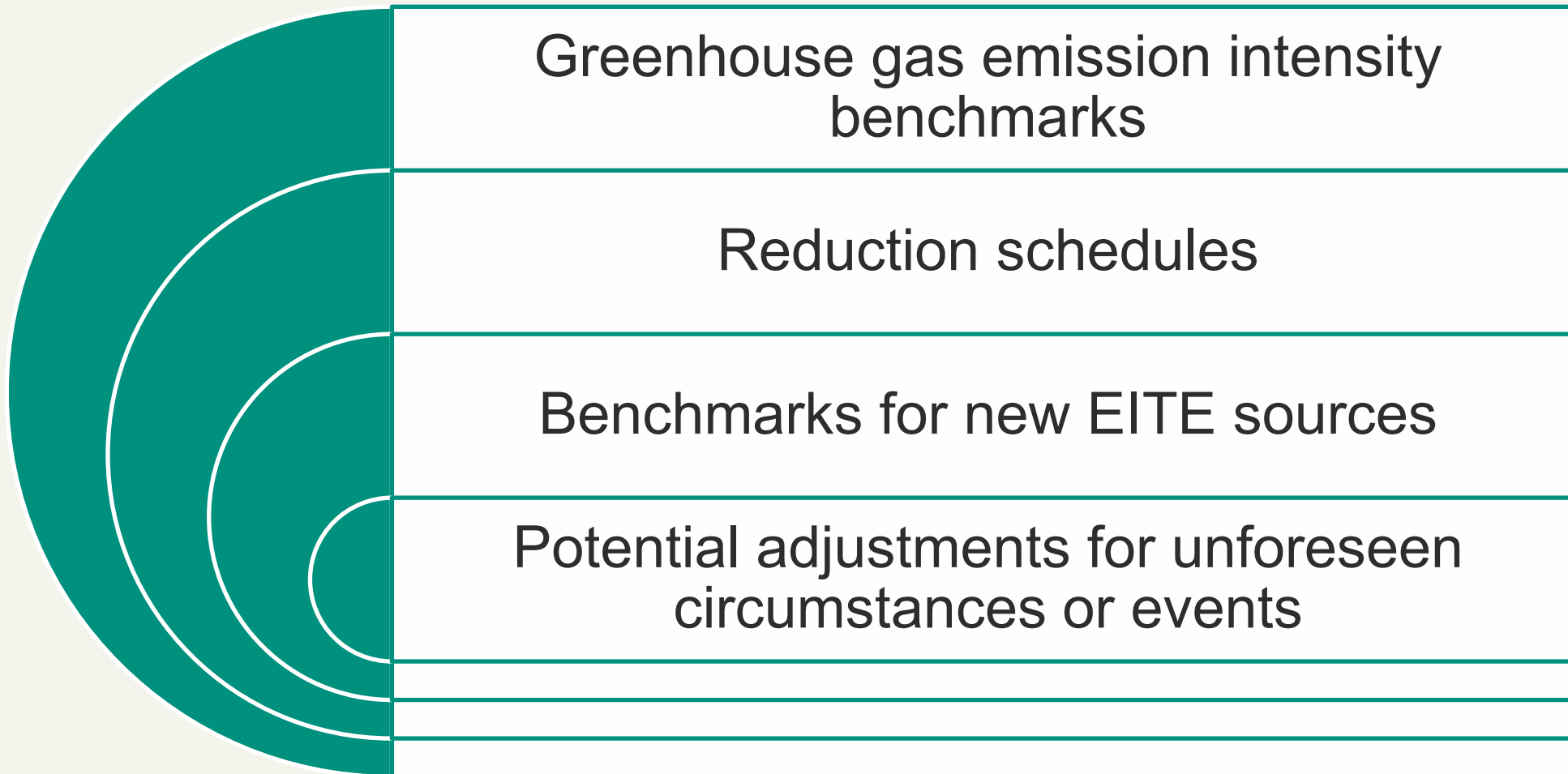


Rulemaking objectives

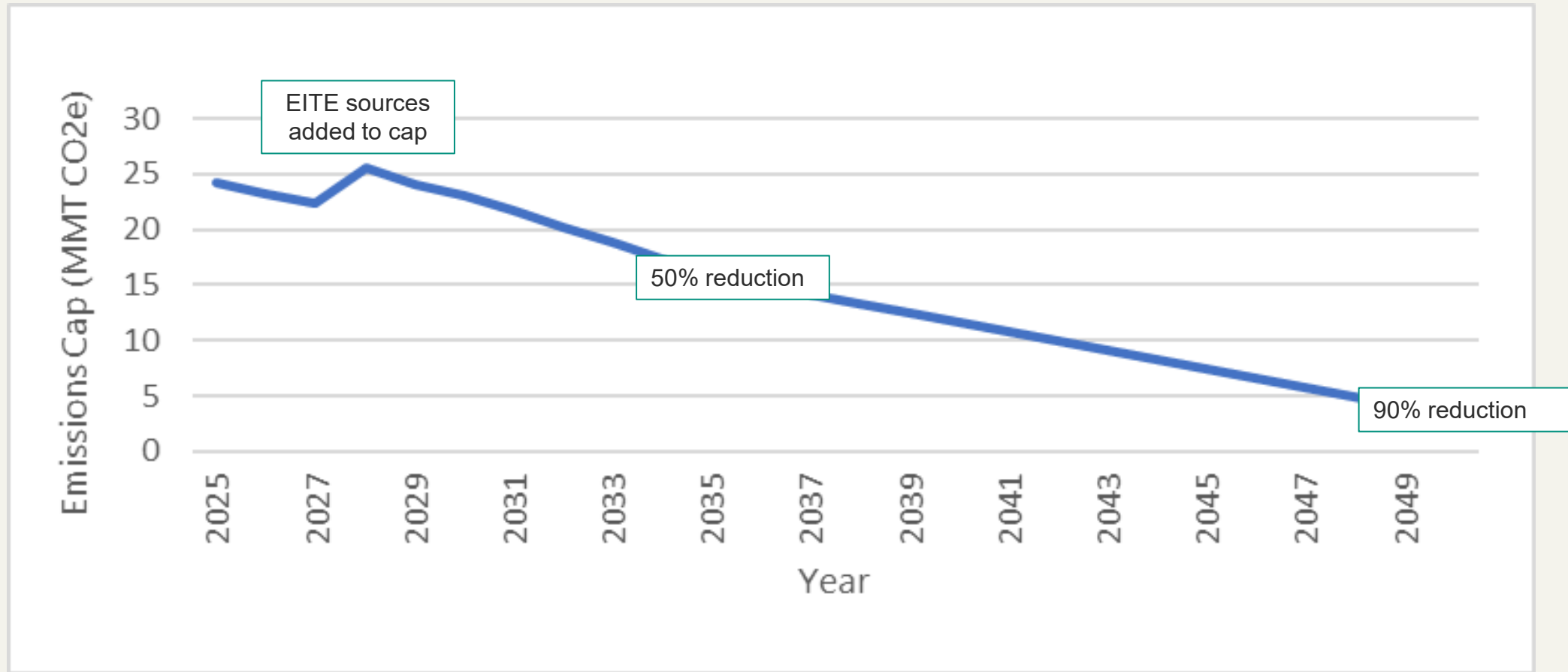


Determine how EITE sources will be regulated
Incentivize emission reductions
Account for unique circumstances of EITE sources
Avoid relocation of manufacturing and associated emissions
Flexibility for production growth
Understand impacts on local communities

Rulemaking scope



Program emissions cap



Compliance instrument distribution

1. EITEs

Based on benchmarks,
reduction schedule,
production

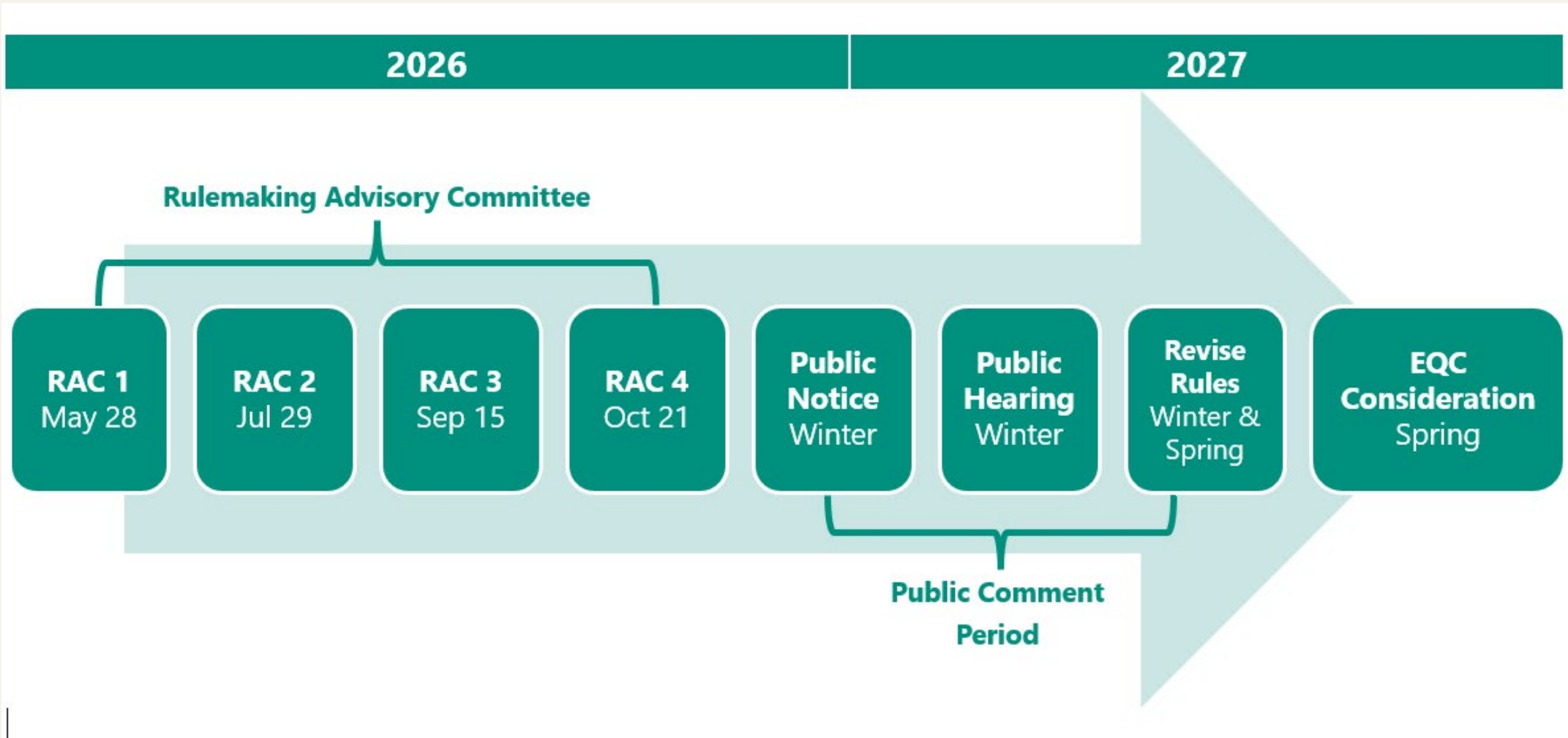
2. Natural gas utilities

Fixed percentage of
remaining instruments

3. Liquid fuels and propane suppliers

Remaining distributed
based on formula

Rulemaking timeline



Workplan

Meeting	Topics	Date	Comments
RAC 1	Overview, rulemaking scope and timeline, discussion of key program elements	May 28, 2026	June 8, 2026
RAC 2	Updates, additional conceptual discussions, draft rule language, potential review of product benchmark categories, DEQ leanings	July 29, 2026	Aug. 7, 2026
RAC 3	Updates overview of draft rules, fiscal impacts statement, environmental justice and racial equity impacts, potential review of benchmarks	Sept. 15, 2026	Sept. 24, 2026
RAC 4	Updates, revisions to fiscal impact statement, environmental justice, racial equity impacts, draft rules, implementation	Oct. 21, 2026	Oct. 30, 2026

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Industry sectors included

North American Industry Classification System

Aerospace product and parts manufacturing

Basic chemical manufacturing

Cement and concrete product manufacturing

Foundries

Fruit and vegetable preserving and special food manufacturing

Glass and glass product manufacturing

Iron and steel mills and ferroalloy manufacturing

Lime and gypsum product manufacturing

Nonferrous metal (except aluminum) production and processing

Nonmetallic mineral mining and quarrying

Other fabricated metal product manufacturing

Other nonmetallic mineral product manufacturing

Pesticide, fertilizer and other agricultural chemical manufacturing

Plastics product manufacturing

Pulp, paper and paperboard mills

Sawmills and wood preservation

Semiconductor and other electronic component manufacturing

Veneer, plywood and engineered wood product manufacturing

Those in **bold** have
current Oregon EITEs



Emissions intensity benchmarks

intensity benchmark
x reduction schedule
x units output
= compliance instruments distributed

← emissions per unit produced

← compliance instruments
reduction over time

example

2.041 tons emissions/unit of product

x 98%

x 200 units output

= 400 compliance instruments distributed

emissions in covered greenhouse gas emissions
metric ton of carbon dioxide equivalent

Emissions intensity benchmarks

- Benchmarks are **stable** values set by DEQ
- Reduction number and units output **change** over time

Paperboard Mills	322130	Recycled Boxboard Manufacturing	0.499	Allowances / Air-Dried Short Ton of Recycled Boxboard
		Recycled Linerboard (Testliner) Manufacturing	0.468	Allowances / Air-Dried Short Ton of Recycled Linerboard
		Recycled Medium (Fluting) Manufacturing	0.394	Allowances / Air-Dried Short Ton of Recycled Medium



California example with industry, benchmark and product

Data years

- Could use multiple years or single years
 - Could use median (middle value) or mean (average), or the highest or lowest intensity year
 - Could remove outlier years of a larger set of years and then use median or mean
-



- Preference for more current, verified data
- Using multiple years usually leads to more representative data set

Questions – benchmarks

- a) What principles should DEQ use in setting benchmarks? Should DEQ distinguish between process and combustion emissions? If so, why?
- b) Should the program use benchmarks that are product-based across multiple sources, source-specific covering all emissions at a source, source-specific and product-differentiated, or a combination? Why?
- c) Should DEQ account for previous investments by some to reduce emissions, or sources that have lower than average emissions for their industry? If so, how?

Questions – data years

- a) How should DEQ approach selecting data years?
- b) Should DEQ use the same data years for all sources or different years for different sources? What would be the advantages or disadvantages of the different approaches?
- c) Should DEQ allow for sources to petition for different data years? What should DEQ consider in allowing for this?

Lunch break

The meeting will resume at 1:30 p.m.

12:30 p.m.	Lunch break
1:30 p.m.	Reduction schedule discussion
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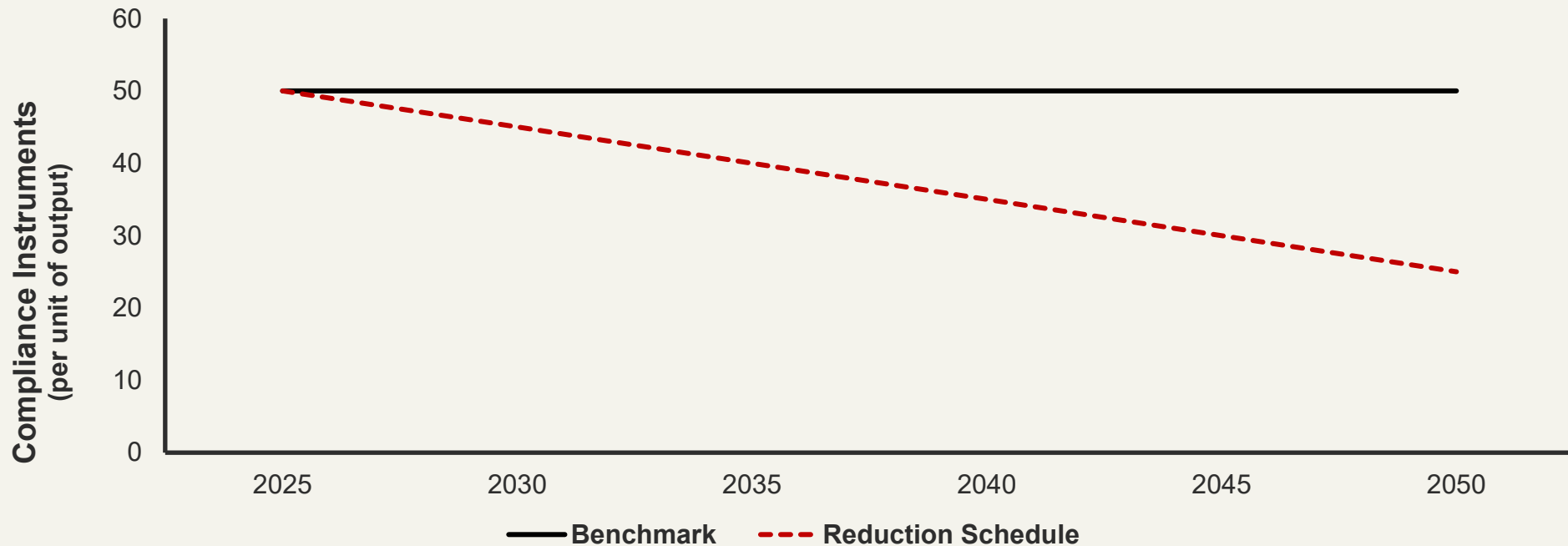
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What is the reduction schedule?

- The rate of decrease in the number of free compliance instruments DEQ distributes per unit of output



Different reduction schedule approaches

- Could have annual or every compliance period reductions
- Could start in 2029 or the next compliance period (2030-31)
- Could use non-uniform rates of reduction (more reductions earlier or more later)

for example:

4% for 2030-2031 compliance period

3% for 2032-2033 compliance period

2% for 2034-2035 compliance period

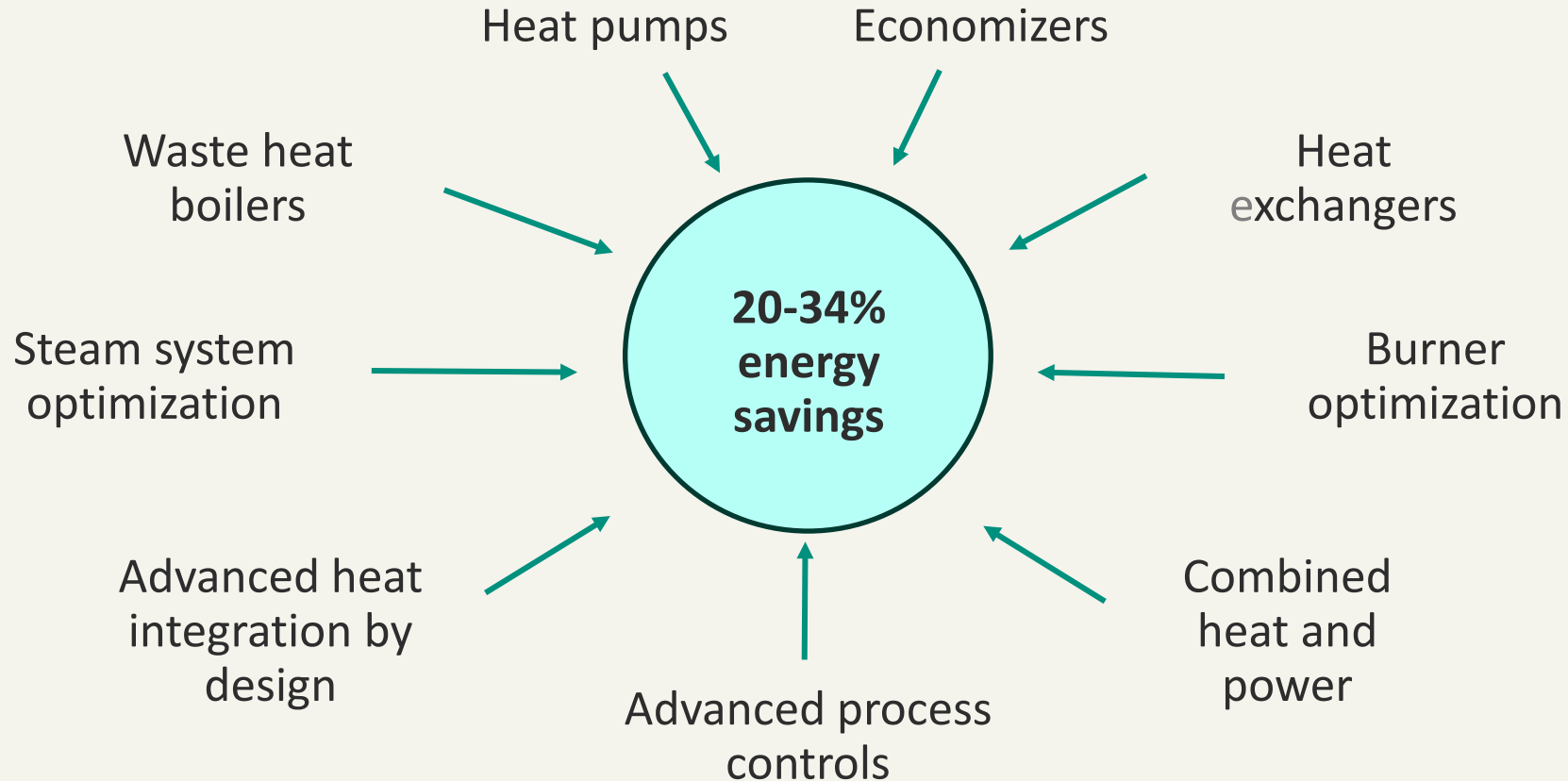
Reduction schedules – other jurisdictions

- Washington reduced free allowances each EITE facility receives by 3% during 2027-2030 and by 6% during 2031-2034
 - Future reductions awaiting proposal by Dept of Ecology
- California reduced number of free allowances provided to each facility by roughly 4% each year; are reviewing this schedule going forward
- Quebec reduces free allowances 2.3% per year

Emission reduction and compliance strategies

- Opportunities may include efficiency improvements, electrification or biofuels, new technology
- Opportunities vary by industry, by source, and by type of emissions – combustion or process emissions
- Other options are earning community climate investment credits and trading/banking compliance instruments

Some possibilities for emissions reductions



Energy efficiency is the most cost-effective and proven tool for cutting industrial emissions

1. Source: Bottom-up estimates of deep decarbonization of U.S. manufacturing in 2050, Journal of Cleaner Production Jan 1 2022
2. Heat pumps, though electric, are classified as “energy efficiency” if they are supplementing but not replacing incumbent technology.

Questions – reduction schedules

- a) Should compliance instrument reduction schedule be uniform, or be industry, source, or product-specific?
- b) What should be the expected reduction percentage every two years?
- c) Should the program have a method for facilities to get adjustments to the reduction schedule? If so, what would it look like?
What would DEQ need to consider when allowing for adjustments?
- d) Should DEQ consider other compliance flexibility options in place of or to complement adjusting reduction schedules, such as higher usage percentage for community climate investments credits? If so, what?

10 minute break

The meeting will resume at 2:55 p.m.

2:45 p.m.	Break
2:55 p.m.	New products and processes discussion
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New products, processes and benchmarks

Consider how benchmarks might need adjustment for new products



Could be dependent on the type of benchmark

Source specific-new products could be higher or lower emissions intensity

Product specific-create an additional benchmark, emissions threshold for new benchmark



Lack of data and/or non-representative start up data

Any learnings from other programs

- California
 - Made amendments for new products and currently reviewing reduction schedules
- Washington
 - New products: apply to Ecology before upcoming compliance period and document new product
 - New sources: three years of emissions and production data; mass-based benchmark until those data are available
- Climate Protection Program
 - New sources exempt until first year of the next compliance period after becoming covered
 - Most recent available data

Questions – new products, processes, benchmarks

- a) Depending on the type of benchmark, industry-wide, source-specific or product specific, how should DEQ consider new product manufacturing or significant shifts in production?
- b) Beyond new products or significant shifts in production, are there other changes DEQ should consider when evaluating potential adjustments to benchmarks? If so, what?

Public comment (10 min)

We are taking public comments at this time.

Raise your hand

to join the



Or, if joining by phone, *9 to raise hand (and *6 to unmute)

Please say your name and affiliation before speaking
and respect any time limits and ground rules.

You may also send written comment on today's discussion topics by **June 8**
to cpp.eite@deq.oregon.gov

Next Steps

- Send comments by **June 8, 2026** to cpp.eite@deq.oregon.gov
- Next meeting: **July 29, 2026**
(completely virtual – remote)



Title VI and alternate formats

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