

Clean Fuels Program 2026- 2027 Rulemaking

Public Comments, Rulemaking Advisory Committee
(RAC) Meeting #2

June 10, 2026



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June 30, 2026

Bill Peters
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Submitted electronically via CFP2026@deq.oregon.gov

RE: 3Degrees Group, Inc.'s Rule Advisory Committee Feedback to DEQ

Dear Bill Peters and CFP team,

3Degrees Group, Inc. ("3Degrees") appreciates this opportunity to provide feedback on potential revisions to the Oregon Clean Fuels Program ("CFP"). 3Degrees is a global climate and clean energy solutions provider and is a strong supporter of the Clean Fuels Program. We participate in the program as a designated reporting entity on behalf of a variety of opt-in parties and we are also an active fuel pathway developer.

The following comments are in response to the discussion paper and materials presented at the Rulemaking Advisory Committee meeting on June 10, 2026.

3Degrees' comments focus on the following key recommendations to strengthen the Clean Fuels Program:

- **Renewable Electricity Certificates:** 3Degrees recommends that DEQ implement eligibility criteria that are verifiable by the REC seller at the time of sale, replicate the functions of existing safeguards, and target specific market conditions.
- **Renewable Energy Sources:** 3Degrees recommends that DEQ align eligibility requirements for biogas-to-electric facilities with eligibility requirements for RNG facilities.
- **Energy Economy Ratio:** 3Degrees supports updating the light-duty EER based on an Oregon-specific methodology.

—

Renewable Electricity Certificates

3Degrees supports DEQ's effort to establish multiple pathways for REC usage in the Clean Fuels Program, and recognizes the need for all pathways to ensure a high standard of integrity without increasing administrative burden to DEQ.

3Degrees appreciates DEQ's recognition that the Clean Fuels Program (CFP) benefits from an additional renewable electricity crediting pathway that does not rely exclusively on Green-e® certification. We have long supported book-and-claim accounting using Renewable Energy Certificates (RECs) as an established and effective means of substantiating renewable electricity

use, and we value Green-e® as a trusted certification standard. At the same time, we agree that program participants benefit from a clearly defined, DEQ-defined set of eligibility criteria that provides certainty independent of any single third-party program's evolving requirements. 3Degrees recognizes the difficulty in defining such a set of criteria and applauds the open and creative approach DEQ is using regarding this issue. We offer the following recommendations to ensure that whatever alternative DEQ adopts is workable in practice.

Any alternative eligibility pathway must be verifiable by the REC seller at the time of sale.

A critical requirement for the renewable electricity pathway is that REC eligibility is clearly established, such that market participants can determine whether a REC will be eligible before a transaction occurs. RECs are bought and sold in advance of any CFP reporting, and a seller will not transact a product whose eligibility cannot be confirmed at the point of sale. 3Degrees is concerned that the proposed third-party verification approach would determine eligibility only at the time of verification, and rely on documents only available to verifiers. If a verifier must confirm eligibility against information that is not knowable to the seller (for example, a facility's status under another jurisdiction's compliance program), then sellers cannot know whether they are offering a qualifying product, and qualifying transactions will simply not occur. 3Degrees strongly recommends that DEQ frame its rule around a defined set of eligibility conditions that a seller can check at the time of sale, which can then be confirmed through later verification.

Eligibility criteria should reflect assurances that are achievable and verifiable, and replicate the real functions of existing safeguards.

3Degrees supports Green-e® as the leading certification and verification program for renewable electricity in North America as it provides several market benefits by ensuring products provide consumer protections and quality assurances. 3Degrees supports DEQ's intent to replicate the integrity assurances of Green-e® certification within its own criteria, so that both pathways are credible and meet minimum environmental criteria. To accomplish this, DEQ's criteria should be calibrated against the assurances provided by Green-e® certification, which include: up-front eligibility criteria, chain of custody tracking, contractual attestation against double claims, and a regulatory surplus attestation. These assurances are achievable, accessible to the market at the time of sale, and verifiable by a trained verifier. Attempting to build a system that goes beyond what is currently offered by any third party, such as real-time checks or REC-by-REC crosschecking across jurisdictions, will prove overly cumbersome for DEQ and participants and is not necessary in order to match other integrity benchmarks used by the market.

Build on market incentives and existing regulations that limit the possibility of double counting between jurisdictions.

3Degrees understands DEQ's concern and shares the view that a REC used for incremental credit generation in the CFP should not be associated with renewable energy that is simultaneously claimed as a zero-emission import under another jurisdiction's cap-and-invest program. It is important to consider and design the program to ensure only one jurisdiction is

claiming the attributes of the REC, however, in 3Degrees' experience this scenario is highly unlikely to occur. In fact, it would be difficult for double counting to actually occur under current Western market structures and accounting rules. Multiple precise market conditions must occur for this scenario to be possible. In the organized Western markets (EDAM, WEIM, and Markets+), a renewable resource's energy is deemed to be in a CA or WA GHG compliance zone only if the resource: is situated in a participating balancing authority area, voluntarily opts in to serve a GHG zone, and actually dispatches energy to serve that zone. When the above conditions are in place, the regulations in those jurisdictions (CA PUC's PCC classifications and WA CETA 80% bundled standard) create a strong economic incentive to sell the renewable energy and its associated REC together into California or Washington, rather than unbundling the REC for sale into Oregon. For a REC to be genuinely double counted, a seller would have to forgo this bundled premium, sell the REC unbundled to the CFP, and yet allow the same energy to be deemed to a GHG zone. This outcome is highly unlikely and runs counter to ordinary market behavior. Nevertheless, we understand DEQ's desire to mitigate this potential risk. In order to address this, we recommend DEQ focus on regulating a specific link in the chain of events outlined above, so that the double counting situation will not arise.

Meaningfully addressing the risk of cross-jurisdictional double counting with California or Washington cap-and-invest programs can be done via a narrow, seller-knowable condition.

3Degrees recommends that DEQ adopt a condition that RECs used for incremental CFP credit generation **not be sourced from a resource under a power purchase agreement (PPA) that conveys the resource's environmental attributes directly to, or supports a specified clean-energy import claim in, a California or Washington GHG compliance zone.** As outlined above, the potential double counting scenario arises when the underlying energy is delivered to a WA or CA GHG zone. In most cases, this happens through a voluntary opt-in process in which energy is deemed to the zone. This is why we have specified that the PPA must not convey the resource's environmental attributes. However, WA and CA regulations¹ also allow an imported megawatt-hour to be treated as "clean energy" if the importer holds a power contract contingent on delivery from a "designated facility" that produces clean power. In this case, the state may claim it as "clean energy" even without the RECs being attached. For this reason, we recommend that DEQ's condition also apply to contracts that support a specified-source import claim for the underlying energy. The contract terms of the PPA as well as the designation of the resource are both characteristics that the seller can confirm from the resource and contract at the time of sale.

Our recommended condition is practicable because it can be verified by the seller at the time of sale based on the resource's own contractual and scheduling arrangements. This condition is also built to align with, rather than disrupt, prevailing market practice. We believe this condition can directly address DEQ's double counting concern without requiring access to confidential facility lists from other agencies.

¹ Washington Administrative Code § 173-441-124 and California Code § 95111

Continue to use the regional tracking system as the system of record and layer in a participant attestation, consistent with established program practice.

We recommend that eligibility continue to be anchored in the Western Renewable Energy Generation Information System (WREGIS), with retirement of certificates in WREGIS serving as the verifiable record of a REC's chain of custody and single use. To the extent WREGIS develops the capability to attach a persistent eligibility attribute to a certificate that travels with it from owner to owner, we encourage DEQ to incorporate that functionality as a forward-looking enhancement.

To operationalize DEQ's eligibility criteria, we recommend that DEQ pair the WREGIS record with a participant attestation provided at the time of CFP reporting. The attestation should include statements that the RECs (i) are not sourced from a resource under a power contract that conveys the resource's environmental attributes to, or supports a specified clean-energy import claim in, a California or Washington GHG compliance zone, and (ii) have not been and will not be used for compliance under another jurisdiction's program or claimed under a separate voluntary instrument. This attestation-plus-registry approach mirrors the chain-of-custody assurances that participants and regulators already rely upon, places accountability on the attesting party, and can be reinforced through DEQ's existing verification and audit authority.

Renewable Energy Sources

3Degrees encourages DEQ to align eligibility requirements for biogas-to-electric facilities with requirements for RNG facilities.

3Degrees supports DEQ's proposal to establish a clear, DEQ-defined set of eligibility criteria for the sourcing of RECs for use within the CFP. We appreciate the need to keep these criteria simple, straightforward, and verifiable. In the search for simplicity, however, we believe that a critical nuance has been lost that could potentially harm the program. While technologies such as solar and wind only interact with the CFP through REC production, biogas digesters are both a REC-producing technology as well as a fuel-producing technology. As such, biogas facilities that produce biomethane for the program are already regulated through the Tier 1 Calculator, for instance, by limiting such facilities to swine and dairy. We believe that creating additional and differentiated eligibility criteria for biogas facilities that produce RECs versus facilities that produce RNG will introduce unnecessary confusion.

For these reasons, we suggest adding a separate eligibility criterion for RECs from biogas, rather than the blanket 2016 COD that is proposed. Although this would add an additional line to the DEQ eligibility criteria and therefore slightly more complexity, we believe this could be mitigated by replicating the existing language in the neighboring jurisdiction of CA². Aligning with CA's "crediting period" requirements in order to be eligible for REC generation is straightforward and keeps the criteria simple, since these requirements are already familiar to

² California Code § 95488.9(f)(3)(a)

most, if not all, program participants. Additionally, applying these criteria allows current CFP participants to continue supplying RECs to the program, while following CA's lead in limiting this technology over time as new generation sources come online.

Light-Duty Electric Vehicle Energy Economy Ratio

Switching to an updated Oregon-based methodology for EER calculation is credible and supports credit generation at a crucial juncture.

3Degrees is supportive of DEQ's proposal to the methodology for calculating the Energy Economy Ratio (EER) for Light Duty Vehicles. Updating this calculation reflects the significant changes to both electric/hybrid (EV/PHEV) vehicles and ICE vehicle engines in the 15 years since CARB originally derived the previous EER values. We are also supportive of using Oregon-specific vehicle registrations to more accurately capture how the program is impacting the fuel and vehicles on the road in Oregon.

3Degrees also recognizes that the updated methodology will result in higher credit generation for light duty EVs, which is crucial at a time when federal incentives have been lost and the adoption of EVs/PHEVs has become more tenuous. The CFP is an essential tool to maintain progress towards transportation electrification in Oregon, and this update will set an example for other states.

Thank you for this opportunity to submit comments. We look forward to continued participation in the development of the CFP rules.

Sincerely,

/s/ Theresa Keith

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June 26, 2026

SUBMITTED ELECTRONICALLY TO: cfp2026@deq.oregon.gov

Re: Comments in Response to the June 10, 2026, Rulemaking Advisory Committee (RAC) Meeting Regarding Proposed Amendments to the Clean Fuels Program (CFP)

A coalition of automakers, including Rivian Automotive, LLC; Tesla, Inc.; Toyota North America; and, Nissan North America, Inc.; and supported by the Alliance for Automotive Innovation (“the Coalition”), is pleased to submit the following comments in response to the recent rulemaking advisory committee (“RAC”) meeting discussing proposed amendments to the Clean Fuels Program (“CFP”).¹ We appreciate the opportunity to provide feedback on the concepts presented by Department of Environmental Quality (“DEQ”) staff to advance the goals set forth in Governor Kotek’s Executive Order 25-29.

Our comments below provide detailed suggestions and recommendations for targeted reforms to certain provisions of the CFP governing electricity credit generation. We believe these proposals will improve the CFP's effectiveness as a catalyst for transportation electrification (“TE”) in Oregon and meet DEQ’s stated objectives for the rulemaking.

DEQ’s Revised Energy Economy Ratio (EER) for Light-Duty Electricity Credit Pathways is Appropriate

We encourage DEQ to revise the EER used to calculate credits in all light-duty electricity pathways. As noted during the recent RAC meeting, the current EER values rely on older vehicle data. Manufacturers have substantially improved EV efficiency in recent years, justifying an updated EER that accurately reflects the true energy demand and fossil fuel displacement of the current EV fleet.

Recommendation:

¹ These comments are submitted solely to advocate for regulatory changes to the proposed rule, and each Coalition member will continue to make its own independent business decisions.

The preliminary proposal to adjust the EER from 3.4 to 4.6 appears sound. We support this update and recommend that DEQ adopt a methodology that allows for biennial reviews to keep pace with the evolving fleet.

Allow Automakers to Earn Residential Credits

DEQ's discussion paper acknowledges that when the CFP was first developed, policymakers considered a role for automakers as residential credit generators before finalizing a structure that awards those credits to utilities. The staff presentation to the RAC did not contemplate any fundamental changes to this structure. As a coalition of automakers, we respectfully encourage DEQ to reconsider the benefits of a framework that allows automakers to earn a share of residential credits to promote TE.

We believe this is warranted since EV efficiency, which is a product of automaker investment, is primarily responsible for generating residential credits. For example, using DEQ's Q4 2025 residential charging credits and total volume data, average electricity CI was 110.27 gCO₂e/MJ, which is 10 percent dirtier than gasoline at 100.14 gCO₂e/MJ and significantly dirtier than the gasoline benchmark of 88.25 gCO₂e/MJ.² For the full year 2025, DEQ reported the statewide grid mix CI was slightly cleaner than Q4 at 109.74 gCO₂e/MJ.³ Therefore, powertrain efficiency (represented by EER) was solely responsible for generating residential charging credits in 2025, overcoming what would have been a deficit generating fuel.

To date, the CFP has awarded residential credits to electric utilities. While utilities have a role to play, DEQ has an opportunity in this rulemaking to bring additional stakeholders to the table to strengthen the CFP. In fact, evolving the CFP's residential credit allocation framework to include automakers would make EV sales in the state more valuable, spurring additional private sector investment in EV market growth in Oregon.

Whereas utilities are risk-averse entities, automakers' commercial agility positions them to nimbly leverage or direct new revenue streams—for example, from residential credits—to fund high-impact market-growth activities.

Recommendation:

We encourage DEQ to allow automakers to earn a share of residential credits. Specifically, we recommend establishing automakers, alongside utilities, as the joint first-priority credit generator for base credits from residential EV charging, and the priority credit generator for all incremental credits.

² <https://www.oregon.gov/deq/ghgp/cfp/pages/quarterly-data-summaries.aspx>.

³ <https://www.oregon.gov/deq/ghgp/Documents/cfpElectricCIV2025.pdf>.

- Opt-in participating manufacturers would be eligible to claim 50 percent of the residential base credits attributable to their fleet and 100 percent of the residential incremental credits.
- Utilities would be entitled to the remaining 50 percent of the residential base credits and have priority to claim credits unclaimed by manufacturers.
- We recommend continuing to provide for a backstop aggregator to avoid stranding any unclaimed credits.

Automakers would report charging data derived from telematics or battery management systems.

- These data would be anonymized to protect personally identifiable information and would form the basis of the residential charging credit calculation. See below for an example.
- Data to be reported quarterly or at another interval deemed appropriate and feasible by DEQ.

	Registered EVs	EVs Reporting	Reported Charging	Avg. Charging	Total Charging	Automaker Claim	Utility Claim
	Fleet registered with DMV in the utility service territory	Share of registered fleet reporting via telematics	Total MWh reported via telematics	Reported charging/EVs reporting	Registered EVs x Avg. Charging	Total charging x 50%	Total charging x 50%
Auto-maker A	1500	100%	1500 MWh	1 MWh	1500 MWh	750 MWh	750 MWh
Auto-maker B	2500	80%	750 MWh	0.38 MWh	938 MWh	469 MWh	469 MWh
Auto-maker C	5000	50%	1500 MWh	0.6 MWh	3000 MWh	1500 MWh	1500 MWh

Table 1. Stylized example of potential quarterly residential charging calculation for a utility service territory with three participating manufacturers and a 50:50 division of credits between automakers and utility.

In exchange for a share of residential credits, automakers should directly reinvest net credit proceeds to grow Oregon's EV market. The Coalition recommends that DEQ establish a menu of eligible investment options, that could include some or all of the following:

- On-the-hood purchase rebates (contingent on a sufficiently large allocation of credits).
- Annual dividend checks returned to customers.
- Rebates on home EVSE purchases.

- Public charging infrastructure deployment.
- Quantifiable reductions in public charging infrastructure per-kWh costs.

DEQ should hold automakers to a reasonable timeline for completion of investments.

The Coalition also recommends allowing automakers to propose unique, “off-menu” investment projects, subject to DEQ approval. Automakers could report to DEQ on a regular basis on their expenditures.

Require Utilities to Invest Credit Proceeds in EV Growth

The Coalition welcomes DEQ’s focus on utility spending and the proposal to require certain utilities to fund EV purchase incentives with revenues. While we strongly believe that automakers are best positioned to make such investments efficiently and effectively, we also agree that where utilities do earn credits, they should be expected to reinvest proceeds for the maximum benefit of EV buyers in Oregon. This approach would create a “flywheel” effect, whereby EV credits directly support further investment in EV market growth, which in turn grows the pool of EV credits and brings Oregon closer to its 2040 targets.

Recommendation:

If the regulation continues to establish utilities as the priority residential credit generator, we encourage DEQ to require large utilities to use at least 67 percent of residential credit proceeds to fund customer-facing EV purchase incentives. We also strongly support proposals to require utilities to spend at least half of credit revenues within a year. For the CFP to work as intended, credit revenue needs to be put to work as quickly as possible.

Greater transparency regarding how utilities spend their credit revenue is critical for DEQ and other stakeholders to evaluate how the CFP is driving the transition to low-carbon fuels. We support DEQ’s interest in creating a standardized template for annual reports that require itemized summaries, ensuring alignment with best practices in neighboring jurisdictions.

Consider Applying the Baseline Crediting Concept to Fast-Charging Infrastructure

We appreciate DEQ's creative thinking in proposing the baseline crediting concept for utilities. This proposal would temporarily enhance electricity credit generation.

DEQ has an opportunity to expand the benefits beyond utilities in service of broader goals. Just as residential rebates drive vehicle adoption, widespread fast-charging infrastructure is essential for the success of the EV market and deserves additional policy support. Unfortunately, Oregon law does not allow DEQ to provide for capacity credits, a proven tool in the toolkits of similar regulations in peer states. But baseline crediting presents a smart alternative.

Recommendation:

Allow fast-charging networks to calculate credits against the fossil fuel baseline, as opposed to the standard, for a time-limited period. This would boost credit generation in the near-term, improving the economics of fast-charging sites and pulling investment forward.

If time-limited baseline crediting is adopted for residential charging or fast-charging networks, the additional bonus credits (difference between standard and baseline crediting) should be tracked separately to improve transparency and minimize confusion.

Allow Non-Public Fleets to Generate Advance Credits

Converting a commercial fleet to operate on electricity typically necessitates significant upfront capital expenditures to install charging equipment at a depot facility, so that vehicles can charge at least cost at "home." Though the total cost of ownership for an electric vehicle is increasingly favorable, particularly for high mileage fleets, the cost of facility upgrades to unlock depot charging is often a significant hurdle that locks fleets into using high-emitting fuels.

To address this challenge, the CFP rule allows certain eligible fleets to generate advance credits, providing up to six years of credits upfront rather than generating them gradually based on electricity dispensed. The need to build infrastructure ahead of maximum expected utilization to support each incremental EV is exactly the challenge that fleets face during scaling and the challenge that advance credits are designed to address.

Recommendation:

DEQ should expand the advance credit pathway, which is already available for public fleets or private facilities serving public fleets, to allow private entities to be eligible. The rule should mirror the 2025 revisions to the California Low Carbon Fuel Standard, which expanded capacity credit eligibility to private fleets, by establishing two credit pools for light-medium and heavy-duty applications. This change would deliver revenue certainty to electrifying fleets in Oregon and frontload the benefits of the program to unlock fleets' ability to scale their vehicle electrification plans.

Conclusion

We believe our proposed revisions will accelerate the EV market's growth in Oregon and help the state meet its goals. As always, we welcome the opportunity to meet with DEQ for further discussion and would be pleased to present on any of these topics at a future RAC meeting.

Sincerely,

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June 26, 2026

Mr. Bill Peters
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RE: Christianson Public Comments on REC Verification under the Clean Fuels Program

Dear Mr. Peters,

Christianson PLLP appreciates the opportunity to provide comments on the Oregon Department of Environmental Quality's proposal regarding renewable energy certificate (REC) review and verification under the Clean Fuels Program.

Christianson is a full-service public accounting and consulting firm based in Willmar, Minnesota, with over 35 years of experience serving the renewable fuels industry. Our firm provides third-party verification, validation, and compliance services under state and federal low-carbon fuel programs, including Section 45Z Clean Fuel Production Tax Credit verification services. As part of these engagements, our firm has conducted REC reviews for dozens of renewable fuel producers and incorporated those findings into certified carbon emissions calculations submitted for federal tax credit purposes.

Based on this experience, we believe existing verification bodies possess the expertise necessary to successfully implement REC review requirements under Oregon's Clean Fuels Program.

Our comments below address the expertise some verifiers already have through federal programs, as well as capacity concerns, qualifying registry criteria, and REC verification procedures.

Verification Body Capacity

Christianson supports DEQ's proposal to utilize third-party verification bodies for REC review. Existing verification bodies already conduct independent reviews of environmental attributes, supporting documentation, registry records, retirement statements, and facility eligibility requirements as part of federal and state clean fuel programs.

Christianson and other verification bodies are already performing REC verification under Section 45Z for renewable fuel producers across the country. As a result, DEQ can leverage existing verifier expertise and established verification procedures rather than creating an entirely new review framework.

To support successful implementation and maintain adequate verifier capacity, we recommend DEQ provide additional verifier trainings to allow for more verifiers and ensure capacity on verification bodies is not strained. Additional training opportunities will help expand the pool of qualified verifiers and reduce the risk of capacity constraints as REC verification activity grows.

Areas Requiring Additional Clarification:

Temporal Matching

We recommend that DEQ require annual temporal matching between electricity consumption and REC generation. This approach is consistent with current federal requirements under Section 45Z, where renewable electricity attributes must be generated during the same calendar year as the electricity consumption they are intended to offset.

Annual matching provides an auditable and transparent verification framework while maintaining environmental integrity.

Qualifying Registries

Christianson recommends DEQ recognize established REC tracking systems, including the Western Renewable Energy Generation Information System (WREGIS), as a qualifying registry and consider adopting registry eligibility criteria consistent with federal Section 45V and Section 45Z guidance.

WREGIS is the regional renewable energy certificate tracking system serving Oregon and the broader western electricity market, including neighboring states. WREGIS tracks REC creation, ownership, transfers, and retirement, providing a transparent and auditable record of renewable energy attributes throughout their lifecycle.

Qualifying registries serve as an important initial layer of quality assurance by reviewing generator eligibility, metering information, generation quantities, resource type, commercial operation dates, and REC issuance information before certificates are created and tracked within the registry.

A qualifying registry should maintain sufficient information to allow verification bodies to confirm:

- Generator identity and location
- Unique certificate identification numbers
- Resource type
- Commercial operations date
- REC generation date
- Ownership history and transfers
- Retirement status

Verification bodies should then review retirement statements and independently verify key generator information through supporting documentation and publicly available sources, such as generator records maintained by the U.S. Energy Information Administration (EIA), as part of their verification procedures.

The REC retirement statement generated through a qualifying registry should serve as the primary mechanism for demonstrating that environmental attributes have been retired and are not available for use under another program, helping eliminate the risk of double counting.

DEQ may also wish to consider adopting qualifying registry requirements consistent with those utilized under the federal Section 45V Clean Hydrogen Production Tax Credit and Section 45Z Clean Fuel Production Tax Credit programs. Aligning Oregon's requirements with existing federal frameworks would promote consistency, reduce implementation burdens, and allow verification bodies to leverage established verification procedures.

Federal IRS Qualified REC Registry Accounting System Definition

A tracking system that

- (i) assigns a unique identification number to each REC tracked by such system,
- (ii) enables verification that only one REC is associated with each unit of electricity,
- (iii) verifies that the underlying attribute of each REC is claimed and retired only once,
- (iv) identifies the owner of each REC, and
- (v) provides a publicly accessible view (for example, through an application programming interface) of all currently registered electricity generators in the tracking system to prevent the duplicative registration of such generators.

Proof of REC Verification

DEQ should establish minimum documentation requirements that verification bodies must review and retain. At a minimum, these records should include:

- REC retirement statements
- Registry account records
- Generator facility information
- Commercial operation documentation
- Electricity generation records
- Ownership and transfer records

Registry-generated retirement statements are important, as they provide evidence that the environmental attributes are permanently retired and no longer available for future use.

Generator Eligibility Criteria

Christianson supports DEQ's proposed eligible generation sources, including:

- Solar
- Wind
- Geothermal
- Small hydroelectric
- Biomass
- Biogas and biofuels
- Hydrogen fuel cells
- Tidal and wave energy

These technologies are generally consistent with renewable electricity sources recognized under existing renewable energy and clean fuel programs and provide flexibility for future renewable generation development.

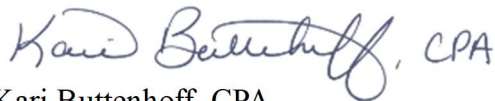
We also support the proposed January 1, 2016 commercial operation date requirement of the generator, which provides a clear and auditable eligibility threshold.

Overall, Christianson supports DEQ's proposal to incorporate REC review by verification bodies into the Clean Fuels Program. Verification bodies are already conducting similar examinations under federal clean fuel programs, including reviews of renewable electricity attributes, registry records, retirement documentation, and generator eligibility requirements.

As DEQ finalizes these requirements, we encourage the agency to align REC verification procedures, qualifying registry requirements, and documentation standards with existing federal frameworks. Consistency across programs will reduce administrative burden for regulated parties and verifiers, leverage established verification procedures, and provide a clear and auditable framework for demonstrating the validity and retirement of renewable energy attributes.

We welcome the opportunity to discuss these comments further as you develop final program requirements.

Sincerely,



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June 30, 2026

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RE: Illustrative Modeling of Utility CFP Reinvestment + Program Delivery Concepts

Dear Members of the Clean Fuels Program Rulemaking Team and Rulemaking Advisory Committee:

Thank you for the opportunity to provide additional materials related to the Clean Fuels Program 2026 Electricity Discussion Paper. In support of our comments, we are submitting two illustrative modeling workbooks that examine how different residential CFP revenue reinvestment requirements could affect customer incentives, ZEV adoption, electricity sales, and future CFP credit generation for Portland General Electric and Pacific Power.

These models are not intended to forecast actual utility revenues or future CFP market outcomes. Rather, they are intended to illustrate an important policy dynamic: when CFP credit revenue is reinvested into effective customer-facing transportation electrification incentives, those incentives can activate additional ZEV purchases. Those additional ZEVs then increase electricity sales and, while CFP crediting remains available, generate additional future CFP credits. In other words, CFP reinvestment can create a positive or “virtuous” feedback loop:

CFP revenue → customer incentives → more ZEV adoption → more electricity sales → more CFP credits → more future reinvestment.

ADDENDUM A - SHORT TERM 5y

Addendum A is a near-term illustrative model running from 2026 through 2031. It compares a status quo case (with a simplified status quo credit-generation factor that declines over the five-year window, while holding the illustrative credit price constant) with 50%, 60%, 67%, and 75% customer-incentive reinvestment requirements for Portland General Electric and Pacific Power, as outlined in the discussion of the rulemaking advisory committee (RAC) to date.

To isolate the effect of CFP-funded incentives, the status quo case does not assume background growth in the ZEV market. Instead, the model estimates how incentive-funded ZEV activations affect electricity sales, CFP credit generation, and total modeled annual value. The results are not a forecast, but a directional illustration that stronger customer-incentive requirements can grow the overall transportation electrification opportunity over time. The incentive scenarios reflect both the proposed crediting update and the reinvestment feedback loop; the comparison among the 50%, 60%, 67%, and 75% cases isolates the effect of dedicating a larger share of CFP revenue to customer-facing incentives.

ADDENDUM B - LONG TERM 20y+10y

Addendum B, the second model, is a “20 + 10” sensitivity. It assumes CFP credit generation and CFP-funded incentive reinvestment continue for 20 years, then ends. The point is not to say that we will not need CFP in 20 years, but rather to show long-term benefits and aggregate benefits over the 20 years and beyond. During the following 10 years, the model does not assume any additional CFP revenue or new CFP-funded vehicle activations. However, it continues to count electricity sales from the larger ZEV fleet built during the CFP reinvestment period. This model is intentionally more conservative than a 30-year CFP revenue projection because it does not assume that the CFP, credit prices, or current crediting rules remain unchanged for three decades. Instead, it asks a narrower question: if CFP-funded incentives build a larger ZEV fleet during the program period, does that larger fleet continue to generate utility electricity sales value after credit revenue ends? The answer is yes, under the assumptions tested.

ASSUMPTIONS

Both models use the same starting utility data and several shared input assumptions, including credit price, electricity value, annual kWh, incentive cost, and additionality. They differ in their baseline-growth and status quo crediting assumptions because Addendum A isolates near-term incentive effects, while Addendum B tests a longer-term market-growth sensitivity. They use DEQ’s reported 2025 residential base credits and EV/PHEV counts for those utilities as the starting point: 111,049 EV/PHEVs and 215,195 residential base credits. Both models also use the same core input assumptions: an illustrative credit price of \$70.95 per credit, an illustrative average electricity value of \$0.15 per kWh, approximately 4,000 kWh per ZEV per year (Because the model combines EVs and PHEVs, the 4,000 kWh assumption should be interpreted as a simplified EV/PHEV-equivalent annual charging assumption), an average incentive cost of \$5,000 per activated ZEV, and an 80% additionality assumption for incentive-funded deployments.

The five-year model uses 2026 as the starting year and evaluates incentive effects during the 2027–2031 policy window. To isolate the effect of CFP-funded incentives, it does not assume background growth in the ZEV market. The status quo case holds EV/PHEV stock constant, while the 50%, 60%, 67%, and 75% incentive scenarios estimate additional ZEV activations from prior-year CFP revenue reinvestment. The model then estimates the resulting effects on electricity sales, CFP credit generation, CFP revenue, and total modeled annual value. In the five-year model, modeled status quo CFP revenue declines because the model applies a simplified declining status quo credit-generation factor.

The 20 + 10 model is a longer-term sensitivity. It assumes CFP credit generation and CFP-funded incentive reinvestment continue for 20 years, then end. During the following 10 years, the model assumes no new CFP revenue and no additional CFP-funded vehicle activations, but continues to count electricity sales from the larger ZEV fleet built during the reinvestment period. This structure is intended to test whether CFP-funded incentives can create durable utility load and customer adoption benefits even after credit revenue is no longer assumed. After 2045, this model assumes no additional CFP revenue and no new CFP-funded

activations, but continues to apply the same 8% background ZEV market-growth assumption across all scenarios.

In both models, the incentive scenarios use the midpoint of DEQ's estimated credit-generation increase associated with the proposed electricity crediting updates. The results should be read as directional illustrations, not forecasts of actual utility revenue, net utility margin, customer adoption, or future CFP market outcomes.

LIMITATIONS

Because these are illustrative models, the outputs should not be treated as predicted utility revenue, program revenue, or net utility profit. Actual results could vary significantly based on CFP credit prices, timing of utility credit sales, retail electricity rates, future rate design, grid upgrade needs, managed charging participation, vehicle supply, customer behavior, incentive design, program administration, federal and state policy changes, and future DEQ rule design. The models also reflect gross electricity sales and CFP credit value, not net utility margin. There may be other details and considerations we missed in building these models, and we welcome feedback and the opportunity to improve them.

WHY DO THESE MODELS MATTER?

Despite those limitations, the models are useful because they show that higher customer-incentive requirements should not be understood only as a restriction on utility flexibility. Well-designed incentives can help utilities build the very ZEV customer base that produces future transportation-electrification load and, while crediting remains available, future CFP credits. The longer the timeframe considered, the more visible the reinvestment effect becomes. Even under the 20 + 10 model, where CFP credit generation ends after the reinvestment period, the larger ZEV fleet continues to generate electricity sales in later years. The 20+10 model also better shows that a higher percentage incentive requirement generates more electricity sales; it also has a substantial impact on increasing modeled ZEV/PHEV equivalent activations in the PGE and Pacific Power service territories, from about 100,000 cumulative CFP-funded additional ZEV/PHEV-equivalent activations at a 50% revenue requirement to almost 170,000 at a 75% requirement in the 20+10 addendum B. While not only hypothetically generating more revenue, higher percentage targets greatly increase the number of ZEVs on our roads in the long term, which matters because Oregon is far behind ZEV adoption goals as outlined in SB1044, passed in 2019.

The policy implication is that DEQ should not assume that a higher customer-incentive requirement necessarily reduces the long-term utility transportation-electrification opportunity. For the largest utilities, stronger incentive requirements can serve as a market-building strategy, particularly when paired with clear reporting, administrative cost guardrails, managed charging design, and incentives large enough to influence customer purchase decisions. To the extent total CFP revenue grows, higher incentive requirements may still leave meaningful absolute dollars for other eligible TE uses, though the amount available for non-incentive uses would depend on the required incentive share, total credit revenue, and DEQ's eligible-use rules.

We encourage DEQ to consider these models as directional illustrations of the value of requiring a meaningful share of residential CFP credit revenue to be reinvested into customer-facing transportation electrification incentives. They support the conclusion that a requirement above 50%, particularly for large utilities, is reasonable and may help build a stronger long-term ZEV market while still supporting broader transportation electrification goals.

PROGRAM DELIVERY CONCEPTS

On a separate note to the illustrative modeling, if DEQ requires utilities to dedicate a minimum share of residential CFP revenue to customer-facing incentives, utilities should have clear, low-burden compliance pathways. The goal should be simple: ensure dollars reach customers, avoid duplicative administration, and allow DEQ to verify that required incentive funds are producing measurable transportation electrification outcomes. We wanted to outline three compliance pathways:

1. Direct contribution to DEQ or OCVRP.

Utilities could satisfy their incentive-spending requirement by transferring the required amount directly to DEQ, OCVRP, Charge Ahead, or another DEQ-approved statewide rebate fund. This would be the simplest option for utilities that do not want to administer their own incentive programs and would help reinforce existing state rebate infrastructure.

2. Layered utility incentive adders through existing state programs.

Where feasible, OCVRP and Charge Ahead could remain the central hub for applications, eligibility review, and rebate processing, while utilities fund service-territory-specific incentive adders. Customers who qualify for both state and utility support could receive a combined incentive stack, reducing confusion and increasing the likelihood that the incentive is large enough to influence a purchase decision. When state rebate funds are paused or oversubscribed, utility-funded incentives could still provide on-the-hood support to eligible customers in participating utility territories.

3. Approved third-party or backstop aggregator pathway.

Similar to the second option, DEQ could also allow utilities to direct their required incentive allocation to an approved statewide administrator or backstop aggregator. It is our understanding that several other states operate that way. That entity could receive annual direction from DEQ and be contractually responsible for deploying turnkey transportation electrification programs within each participating utility's service territory. This could be especially useful for utilities that lack the staff capacity, customer-facing systems, or program infrastructure to run separate rebate programs.

Under any pathway, utilities should receive clear accounting showing how much CFP revenue was spent in their service territory, which customers or projects benefited, and what measurable outcomes were delivered. This structure would provide utilities with certainty on compliance, give DEQ stronger oversight, and reduce administrative duplication by relying, where possible, on experienced statewide program infrastructure rather than requiring every utility to build separate incentive and rebate systems.

My preferred pathway is #2 (particularly because it allows for deeper affordability through the creation of an incentive stack), then #1, but we wanted to ensure our comments covered all possible options.

Sincerely,

Brett Morgan
Transportation Policy Director
Climate Solutions



June 26, 2026

Mr. Bill Peters, Clean Fuels Program Lead
Department of Environmental Quality
700 NE Multnomah Street, Suite 600
Portland, Oregon 97232

**RE: OREGON CONSUMER-OWNED UTILITIES COMMENTS ON CLEAN FUELS
PROGRAM RULEMAKING**

Dear Mr. Peters:

Oregon's consumer-owned utilities (COUs) appreciate the opportunity to provide comments regarding the Clean Fuels Program (CFP) rulemaking.

COUs serve communities across Oregon on a not-for-profit, cost-based basis. Unlike investor-owned utilities (IOUs), COUs are governed by locally elected boards whose sole purpose is serving the interests of their customers and communities. Because CFP credit revenues are generated by transportation electrification activities occurring within our service territories, we believe those revenues should continue to be directed to the utilities that serve those customers and communities.

Preserve Utility Access to Residential EV Credits

COUs strongly support maintaining the current framework under which utilities receive CFP credits associated with residential electric vehicle charging within their service territories. We oppose pooling credit revenues into a statewide fund for customer incentives that bear no nexus to where the credits are being generated. This approach runs counter to state's goals of equitable statewide access to transportation electrification benefits and infrastructure.

For many years, COUs have successfully used CFP revenues to advance transportation electrification in our communities. Based on annual reports submitted to DEQ, the overwhelming majority of CFP revenues received by COUs, approximately more than 90% statewide, are already being invested in transportation electrification programs, infrastructure, and related community benefits. This track record demonstrates that utilities are effectively advancing the goals of the CFP without additional prescriptive requirements.

Maintain Local Flexibility

COUs oppose efforts to narrowly prescribe how CFP revenues must be spent.

Transportation electrification needs vary significantly across Oregon. A rural electric cooperative serving a large geographic territory faces different challenges than a suburban utility or a utility serving industrial and commercial transportation corridors. Local utility boards are best positioned to determine how CFP revenues can be used to maximize benefits for their communities.

We therefore urge DEQ to preserve maximum flexibility for utilities in determining how CFP revenues are invested.

If DEQ determines that additional spending parameters are necessary, the definition of eligible transportation electrification investments should be as broad as possible. Eligible uses should include not only direct vehicle incentives but also supporting infrastructure, grid upgrades, distribution system investments, planning, education, fleet electrification efforts, charging infrastructure, resiliency improvements, and other activities necessary to support transportation electrification.

Transportation electrification cannot occur without the infrastructure needed to support it. Any eligible-use framework should recognize this reality.

Avoid Utility-Size-Based Spending Mandates

COUs do not support proposals that would require utilities above a certain size to dedicate specific percentages of CFP revenues to particular programs, such as customer purchase incentives. However, if DEQ opts to institute a threshold it should be set at no less than 50,000 credits annually.

Such mandates would create unnecessary administrative burdens that might discourage COU participation and reduce the ability of local utilities to respond to community-specific needs. What may be appropriate in one service territory may not be the most effective investment in another.

COUs are already accountable to our communities through local governance structures. Our mission is not to maximize shareholder returns but to provide reliable, affordable service while responding to local priorities. Additional spending mandates are therefore unnecessary and may reduce program effectiveness.

Support Long-Term Rollover Provisions

COUs support allowing CFP revenues to be carried forward for the longest period practicable.

Many transportation electrification projects and incentive programs require several years of planning and funding accumulation before implementation. Longer-term rollover provisions allow utilities to combine CFP revenues over multiple years and undertake larger projects that provide greater community benefits and more meaningful emissions reductions.

Restricting rollover periods could unintentionally discourage strategic investments in favor of smaller projects with less overall impact.

Keep Reporting Requirements Simple

COUs support transparent reporting but encourage DEQ to keep reporting requirements as streamlined as possible.

COUs already provide significant information regarding CFP revenue expenditures and program outcomes. Additional reporting requirements should be carefully evaluated to ensure they provide meaningful value while minimizing administrative costs that are ultimately borne by COU customers. Onerous reporting provisions from another jurisdiction do not make sense for Oregon when we are working to reduce regulatory burdens. It is also important that any necessary reporting changes are prospective only.

Conclusion

COUs have demonstrated a successful track record of investing CFP revenues in transportation electrification projects that benefit Oregon communities. DEQ should continue to direct residential EV charging credits to utilities, preserve local flexibility regarding expenditure decisions, avoid prescriptive spending mandates, maintain long-term rollover provisions, and minimize reporting burdens.

These approaches will maximize community benefits while allowing locally governed utilities to continue advancing transportation electrification in ways that best meet the needs of their customers.

Respectfully,

Danelle Romain and Mike Freese, Co-Executive Directors, Oregon People's Utility District Association

Jennifer Joly, Director, Oregon Municipal Electric Utilities Association

Tucker Billman, Director of Government Relations, Oregon Rural Electric Cooperative Association

Jason Heuser, Public Policy and Government Affairs Director, Eugene Water and Electric Board



June 26, 2026

Oregon Department of Environmental Quality
700 NE Multnomah Street, Suite 600
Portland, OR 97232

Submitted Electronically

RE: Comments of Center for Resource Solutions on Renewable Electricity Verification Proposals in Oregon's Clean Fuels Program Rulemaking

Dear DEQ Staff,

The Center for Resource Solutions (CRS) appreciates the opportunity to provide comments on the renewable electricity proposals discussed during the June 10, 2026 Rulemaking Advisory Committee meeting. CRS administers the Green-e® Energy certification program and regularly provides technical assistance to policymakers and regulators on renewable energy accounting, renewable energy certificates (RECs), electricity tracking systems, environmental attribute accounting, and consumer protection.

We appreciate DEQ's continued engagement on these issues and its recognition that ensuring the integrity of renewable electricity claims is essential to maintaining the environmental credibility of the Clean Fuels Program (CFP). We also appreciate that DEQ has recognized the importance of preserving the carbon attributes associated with renewable electricity and preventing overlapping emissions-related claims across programs.

BACKGROUND ON CRS AND GREEN-E® ENERGY

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS provides technical guidance to policymakers and regulators at different levels on renewable energy policy design, accounting, tracking and verification, market interactions, and consumer protection. CRS also administers the Green-e® programs. For over 25 years, Green-e® has been the leading independent certification for voluntary renewable electricity products in North America. In 2024, Green-e® certified retail sales of nearly 143 million megawatt-hours (MWh), serving nearly 1 million retail purchasers of Green-e® certified renewable energy, including approximately 80,000 businesses.¹

¹ **2025 Green-e® Verification Report (2024 Data):** <https://www.green-e.org/about/verification-reports>

Continued Role of Green-e® Energy

CRS appreciates that DEQ's proposal would continue to recognize Green-e® Energy certified RECs as an eligible compliance pathway. Green-e certification has served as an effective mechanism for ensuring that renewable electricity used under the CFP is supported by exclusive ownership and retirement of environmental attributes while providing independent verification, standardized eligibility requirements, contract review, auditing, and consumer protection.

These functions extend beyond REC tracking alone. Registry systems such as WREGIS facilitate issuance, transfer, and retirement of RECs, but they do not establish market claim rules or independently verify that renewable energy claims are exclusive or protected from double counting across voluntary and regulatory programs. Independent certification continues to provide an efficient means of ensuring these protections without requiring DEQ to duplicate existing oversight infrastructure.

Alternative Verification Pathway

CRS appreciates DEQ's efforts to develop an alternative verification pathway for renewable electricity that cannot qualify under Green-e certification. We recognize that evolving state electricity policies, including Oregon's HB 2021 and similar policies in neighboring jurisdictions, have created new accounting considerations that merit additional attention.

At the same time, we encourage DEQ to ensure that any alternative pathway provides protections that are functionally equivalent to those achieved through independent certification.

In particular, an alternative verification framework should clearly demonstrate:

- exclusive ownership of the environmental attributes associated with the renewable generation;
- retirement of the REC for the specific CFP claim;
- protection against multiple emissions-related claims across compliance and voluntary programs;
- consistent treatment of renewable electricity used in jurisdictions with clean electricity standards or economy-wide emissions programs; and
- transparent documentation sufficient to support independent verification.

Without clearly defined requirements, there is a risk that different verifiers could reach inconsistent conclusions regarding the treatment of carbon attributes and overlapping program claims.

Carbon Attribute Accounting

CRS strongly supports DEQ's proposal to require verification that the carbon attributes associated with renewable electricity have been maintained and have not already been relied upon for emissions-related claims in other programs.

We recommend that DEQ further clarify:

- what documentation reporting entities must provide to demonstrate exclusive claims;
- how verifiers should evaluate renewable generation that may also support compliance with state clean electricity policies;
- how conflicts between multiple regulatory or voluntary claims should be resolved; and
- what evidence will be considered sufficient to demonstrate that exclusive claims have been maintained.

Providing this guidance will improve consistency across verifiers and increase confidence in CFP credit generation.

Implementation Considerations

The discussion paper notes that DEQ does not currently have the resources to conduct direct review of renewable electricity transactions and instead proposes relying on third-party verification. CRS agrees that leveraging existing verification expertise is an appropriate approach. However, successful implementation will require clear protocols and guidance for verifiers.

Conclusion

CRS appreciates DEQ's thoughtful consideration of renewable electricity accounting and verification as the CFP evolves. We support DEQ's continued recognition of Green-e® Energy certification as an eligible compliance pathway and encourage DEQ to ensure that any alternative verification framework provides equivalent protections for environmental integrity, exclusive claims, and avoidance of double counting.

We look forward to continuing to work with DEQ as these proposals are further developed and would be pleased to provide additional technical assistance as the rulemaking proceeds.

Sincerely,

_____/s/____

Lucas Grimes

Senior Manager, Policy



June 29, 2026

Oregon Department of Environmental Quality
700 NE Multnomah Street, Suite 600
Portland, OR 97232

Submitted via email to: cfp2026@deq.oregon.gov.

RE: Comments Related to DEQ's Second Workshop for the Clean Fuels Program

Thank you for the opportunity to submit these comments on the Department of Environmental Quality's (DEQ) second rulemaking workshop for members of the rulemaking advisory committee (RAC) from Oregon's Clean Fuels Program (CFP). The Green Energy Institute at Lewis & Clark Law School (GEI), Forth, Climate Solutions, Oregon Environmental Council (OEC), and Neighbors for Clean Air (NCA) submit these comments responding to questions and comments raised during the second workshop and in the accompanying Electricity Discussion Paper.¹

Overall, we support DEQ's suggested changes to the Clean Fuels Program related to the generation and oversight of credits earned by electric utilities. We offer suggestions to further improve the program as well as responses to requested feedback.

I. Defining transportation electrification spending

These members of the RAC support DEQ's proposal that all utilities be required to spend all revenue related to the sale of residential charging credits on investments that support transportation electrification. But we do so with the understanding that the definition of transportation electrification is expansive enough to allow for flexibility, particularly for smaller utilities. These members of the RAC do not support a definition of transportation electrification that is inclusive of hydrogen or biofuels.

¹ Dep't of Env't Quality, Clean Fuels Program 2026 Electricity Discussion Paper (June 2026), <https://ormswd2.synergydcs.com/ORMSCMSearchDEQ/Search/RecordViewer.aspx?uri=7069582>.

Overall, we support DEQ's suggested list of projects that would fall under the definition of transportation electrification:

- Targeted grid upgrades to support increased residential or commercial electricity demand due to EVs, or to support the deployment of public or fleet fast charging stations.
- Providing free public charging.
- Supporting the installation of charging at existing or new multi-family or commercial properties.
- Deployment of public charging in low-income areas, or areas where the ability to charge at single and multi-family homes is limited.
- Providing incentives for school districts, fleets, and others to purchase medium- and heavy-duty electric vehicles.

We would also add:

- Spending on rebates for electric bikes and e-scooters, including considering a state-wide program.²
- Customer-sited non-wires solutions (like managed charging technologies and efficient, non-EV related equipment) to grid upgrades to allow greater capacity for EV adoption on the utility's distribution system.
- Providing public charging generally, including paid public charging and level III public charging.
- Supporting workplace charging
- Supporting zero emission vehicle (ZEV) carsharing programs to increase transportation options and access.
- Consider an avenue to allow utilities to submit proposals for using funds on projects not listed.

a. Defining customer-focused incentives

These members of the RAC support a requirement that larger utilities spend a certain portion—at least 50%—of their revenue on customer-facing incentives. In particular, we support a portion of utility revenue from the largest utilities (i.e. utilities generating the greatest number of credits) directly funding EV time-of-sale rebates, especially for income-qualified Oregonians. Some utilities currently offer their own rebate programs, which would fall under this category. But directing revenue to a state-wide fund, like Oregon's Charge Ahead program within the Oregon Clean Vehicle Rebate Program, will help increase access to state-wide rebates while providing sustainable funding for this program as state and federal funding has dried up.

² DEQ should ensure funds are spent on legal and safe e-bikes. The Portland Clean Energy Fund (PCEF) is launching a program with such requirements based on a pilot and is likely a good example of how to structure a rebate. *City of Portland Announces Launch of Portland Rides E-Bike Rebate Program to Expand Clean, Affordable Transportation to Low-income Households*, Portland.gov (April 5, 2026), <https://www.portland.gov/bps/cleanenergy/news/2026/4/6/city-portland-announces-launch-portland-rides-e-bike-rebate-program>.

Directing revenue to a state-operated fund would also relieve utilities of the administrative burden of managing their own rebate program.

These members of the RAC are not aware of any part of the clean fuels statute, other tax-related statutes, or constitutional provisions that would prohibit directing revenue earned by utilities under this program to a state-administered EV rebate program. But we welcome DEQ's own legal analysis on the issue.

Customer-focused incentives should include:

- On-the-hood rebates for electric vehicle purchases, including the option to fund a state-wide program.
- Supporting the installation of charging at existing or new multi-family or commercial properties.
- Providing incentives to customers to support the installation of at-home charging for electric vehicles, including electrical panel upgrades, with a focus on income-qualified households.

II. Supporting equitable access to EVs

a. In crafting requirements to encourage that type of spending [customer-focused spending], is the “underserved community” definition used by the investor-owned utilities under HB 2165 (2021 Legislature) workable more broadly around the state?

For now, these members of the RAC support this broad definition of “underserved communities.” A broad definition is inclusive of many of the areas where electric vehicle adoption lags behind the rest of the state—like rural and coastal areas and in communities of color. Additionally, the investor-owned utilities have years of applying the definition in their transportation electrification planning. Advocates and regulators have experience in the successes and downsides of how utilities have applied these definitions. We support considering re-evaluating—and narrowing—this definition in future years if electrification in rural or coastal areas of our state catches up to urban areas.

b. What is the right proportion of spending to dedicate to these customers and communities? Should it be graduated by the utility size or class?

These members of the RAC proposes that at least 50% of each utilities' spending be dedicated to underserved customers and communities, and DEQ should explore if higher percentage requirements can better achieve the goals of EO 25-29,³ which is a large basis for this rulemaking. A 50% target is consistent with the directive in HB 2165 for investor-owned utilities' ratepayer EV funds.⁴ We also may revise our recommendation, and specific percentages, provided the specific definitions used in the proposed rule.

We also ask DEQ to clarify, in comment through this rulemaking or in rule, how many utilities have portions of their service territories that would *not* fall under the broad categories of

³ [Executive Order No. 25-29](#), [EO 25-29 FAQ](#)

⁴ ORS 757.357 sec. 2(6).

underserved communities included in HB 2165's definition. More specifically, do utilities other than PGE, PAC, and EWEB serve customers not in "rural" or "coastal" communities? Given the geographic layout of COUs and IOUs in the state, a requirement that utilities spend a portion of their spending on "underserved communities" may be a non-issue for all but Oregon's largest utilities. Members signing on to this comment may revise our suggestions based on the specifics of how the definition "underserved communities" will apply to utilities serving primarily rural and coastal areas outside of Oregon's largest metropolitan areas.

c. Are there other mechanisms where we can support addressing disproportionate impacts and environmental justice through utility spending?

These members of the RAC support spending on additional measures that will improve air quality for environmental justice communities. Diesel emissions in particular have disproportionate localized impacts—impacts that are felt most heavily by environmental justice communities. Reducing air quality impacts from diesel may require spending on commercial transportation projects. For example, a utility may perform grid upgrades to allow for the construction of a medium or heavy duty charging station—typically used to charge vehicles replacing diesel-powered trucks—in an "underserved community." The following spending categories can help reduce diesel emissions:

- Charging for medium and heavy duty vehicles.
- Incentives for electrifying school buses and public transportation vehicles, as well as support for their charging infrastructure.
- Incentives for electrifying medium and heavy duty fleet vehicles that operate in high pollution or densely populated areas.

Additionally, we support increasing access to non-single occupancy vehicle transportation initiatives. Such spending may include income-qualified e-bike rebates and public transportation improvements. These options can reduce household spending on transportation-related energy and improve local air quality.

III. Determining the thresholds for the largest utilities subject to additional requirements under the proposed revised utility guidelines

a. How many utilities should be required to offer customer focused incentives?

Examining electric utility clean fuel credit generation in 2025, three utilities stand beyond their peers. The threshold for "largest utilities" should include these three utilities with the greatest number of residential credits: Portland General Electric (PGE), Pacific Power (PAC), and Eugene Water & Electric Board (EWEB). While DEQ, the utilities, or the UC Davis report may provide more insights, these utilities likely have a large enough credit pool that they have sufficient revenue to dedicate to both customer-focused spending and other transportation-electrification spending.

These members of the RAC do not have a strong preference on the exact methodology for identifying which utilities are considered large utilities for the purpose of these rules. But generally, we ask DEQ to create a category with enhanced requirements that includes *at least*

the two largest utilities—PGE & PAC—and preferably the three largest utilities for now—which includes EWEB. The rules should be flexible enough to incorporate additional utilities as EV adoption grows in a utility’s service territory. Given the information provided by DEQ, a threshold of 5,000 EVs or 15,000 credits would provide this outcome.

b. How should we weigh the trade-off between simplicity under the credit-based approach versus making sure the utility has enough revenue to support the programs?

To offer informed suggestions about how best to navigate trade-offs, These members of the RAC seek greater clarity on how much revenue would be needed to support which programs compared to average annual revenue generation. In a future discussion paper, within the forthcoming U.C. Davis report, or in response to these comments, we ask for centralized reporting on the following information:

- How much exactly has the legislature dedicated to Oregon electric vehicle rebates? For the standard rebate? For the Charge Ahead program in the past?
- How often has past funding for the standard rebate and the Charge Ahead program fell short?
 - How much additional funding would be needed to fully fund these programs for the year?
- How much funding would be required to replace the now-defunct federal EV rebate?

If DEQ wants to ensure programs are fully funded, these members of the RAC suggest a tiered approach, where the largest utilities (see “other approaches” response below) are expected to send up to 50% of utility revenue from the sale of credits for the year to the statewide program until the program is “fully funded,” also accounting for other funding sources. The program would be “fully funded” if it is expected to provide the needed incentives for the full year. We are open to ideas on how specifically to allocate this between covered utilities.

c. Are there other approaches we should consider?

Given the significant gap between Oregon’s two largest credit-generating utilities (both investor-owned) and the next highest generator, these members of the RAC ask DEQ to consider a two-tiered approach to electric utility classifications. Under this approach, utilities with the greatest number of EVs and residential base credits would have different requirements than the remaining utilities. For example, under this approach, utilities with greater than 20,000 registered EVs or 50,000 base credits would be required to spend at least half of their revenue on customer-focused incentives. In 2025, this would only include PGE and PAC. Meanwhile, utilities with greater than 5,000 EVs or 15,000 base credits would be required to dedicate, for example, a quarter of revenue generated from the sale of residential credits to customer-facing programs.

Additional consideration: allowing smaller utilities to bank credits. DEQ’s revised rules should continue to allow smaller utilities to bank credits for longer than a year. Given the fluctuation in

credit prices, utilities with fewer credits should maintain flexibility regarding when to sell credits to generate revenue based on credit prices.

IV. Utility reporting on residential credit revenue spending

These members of the RAC support reporting that balances simplicity for the utilities and oversight, though generally thinks minimal changes are needed for investor-owned utility reporting.

In particular, we think that investor-owned utilities should continue to report clean fuel utility spending to the Oregon Public Utility Commission (OPUC) as part of their Transportation Electrification Plans. Clean fuels spending is one part of IOUs' current transportation electrification planning and reporting. Additionally, the OPUC already has staff expertise in such reporting and oversight that it can continue to utilize. If needed, this rulemaking can signify modification to the OPUC's reporting guidelines for IOUs, but the general process should remain unchanged and coordinated with other utility transportation spending, including spending under HB 2165.

a. Would a standard template be helpful for you to have for annual utility spending reports?

Overall, a template will likely help streamline reporting and review for utilities. These members of the RAC generally would support a template to facilitate simpler review. We also welcome utilities', particularly smaller COUs', insights into how to design a helpful template.

b. How can we streamline annual utility spending reports to ensure the new spending requirements are met?

These members of the RAC recommend that DEQ rely on recommendations offered by the utilities to best streamline reporting. Further, the agency should remain open to changing the template if stakeholders and the agency find that reporting could be made simpler and more transparent.

c. What would be the right way to account for administrative and overhead costs in utility reporting?

These members of the RAC do not have a strong opinion on this matter. Overall, we support more relaxed requirements for administrative cost reporting for smaller utilities, recognizing that smaller utilities may require more capacity building to administer customer-facing programs.

V. Potential Updates to Electricity Crediting

These members of the RAC support DEQ's proposal to update electricity crediting.

First, the revised light-duty electric vehicle energy economy ratio (EER) will better reflect the current and upcoming vehicle stock. We also support DEQ's proposal to regularly update this figure every two years to reflect changes in national fuel standards.

Second, we generally support DEQ's proposal to generate some electric baseline credits against the gasoline baseline as opposed to the gasoline standard. We agree that this baseline better reflects the status of alternative fuels in the residential light duty market.

VI. Renewable Electricity

These members of the RAC recognize that the Public Utility Commission's interpretation of HB 2021's treatment of RECs has upset the REC market in the West.⁵ Nevertheless, to ensure the integrity of both Oregon's 100% Clean Energy law and its Clean Fuels Program, we ask DEQ to ensure that any RECs reviewed in its third party verification process are not associated with electricity used to meet Oregon HB 2021 clean electricity targets. Just as the state needs to avoid double counting with Washington and California's programs, it should remain committed to proper greenhouse gas accounting principles between Oregon programs.

Respectfully submitted,

Members of the Clean Fuels RAC:

/s/ Jamie Johnson

Jamie Johnson, Staff Attorney
Green Energy Institute at Lewis & Clark Law School

/s/ Stu Green

Stu Green, Program Manager
Forth

/s/ Brett Morgan

Brett Morgan, Transportation Policy Director
Climate Solutions

/s/ Kristopher Fortin Grijalva

Kristopher Fortin Grijalva, Senior Transportation and Thriving Communities Program Director
Oregon Environmental Council

/s/ Mackenzie Springer

Mackenzie Springer, Policy and Transportation Manager
Neighbors for Clean Air

⁵ Oregon Public Utility Commission, UM 2273, Order No. 24-004 (Jan. 5, 2024), <https://apps.puc.state.or.us/orders/2024ords/24-002.pdf>.



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June 29, 2026

Bill Peters, Rulemaking Contact

Oregon Department of Environmental Quality

Clean Fuels Program 2026 Rulemaking

Submitted via email: CFP2026@deq.oregon.gov

Re: Written Comments on Meeting 2 Electricity Discussion Paper — Off-Site Renewable Electricity Provisions and the Green-e® Standard Dependency

Jerome Resources submits these comments in response to the Electricity Discussion Paper presented at the Clean Fuels Program 2026 Rulemaking Advisory Committee Meeting 2 on June 10, 2026. We operate Kettle Butte Dairy, a 1.7 MW dairy biogas electricity generation project in Roberts, Idaho, with a certified carbon intensity of approximately -700 gCO₂e/MJ under a DEQ-approved fuel pathway. Our RECs are retired for compliance with the Oregon CFP electricity pathway under OAR 340-253-0470.

We write to bring to DEQ's attention a governance problem that is directly related to the off-site renewable electricity issues identified in the Meeting 2 discussion paper, and to request that DEQ's rulemaking solution explicitly address it.

I. The HB 2021 REC Problem and Our Problem Have the Same Root Cause

DEQ has identified that Green-e®'s 2024 decision to decertify RECs associated with HB 2021 utility compliance has created a qualification problem for entities trying to use RECs in the CFP electricity pathway. The root cause DEQ is addressing — that a private NGO's standard changes automatically modify mandatory Oregon CFP compliance rules through OAR 340-253-0470's incorporation by reference — is precisely the same problem we face, arising from a different but simultaneous Green-e® action.

On May 7, 2026, CRS issued a call for comments on a proposed amendment to the Green-e® Renewable Energy Standard, Section II.A.5.c.i, that would extend Appendix A CAFO requirements to on-site biogas electricity generators. The comment deadline is July 6, 2026. If this amendment is adopted, CAFO biogas electricity generators like Kettle Butte Dairy would automatically lose eligibility under OAR 340-253-0470 — without any DEQ rulemaking, without any EQC consideration, and without any opportunity to contest the change through Oregon's administrative processes.

This is the same structural defect DEQ is already working to fix for HB 2021 RECs: a private NGO holds de facto rulemaking authority over a mandatory state compliance program. The fix DEQ develops for the HB 2021 problem should explicitly extend to CAFO biogas electricity to prevent the same outcome.

II. The 2022 Solution Already on the Record

This specific problem was anticipated in DEQ's 2022 CFP expansion rulemaking. Public commenters specifically recommended that DEQ add the following language to OAR 340-253-0470(5)(a):

“RECs retired in order to claim a carbon intensity other than the statewide mix or utility-specific mix must be certified by the Green-e Program under the Green-e Renewable Energy Standard for Canada and the United States version 3.5, or by a certification system approved by DEQ as being substantially equivalent, or by an alternative system DEQ may develop for biogas-derived electricity.”

DEQ did not adopt this language in 2022. The current situation — in which CRS's proposed CAFO amendment would automatically strip biogas electricity generators of CFP eligibility without any Oregon process — directly vindicates the concern those commenters raised. This rulemaking is the right vehicle to finally adopt it.

III. The Environmental Stakes of Getting This Wrong

Dairy biogas and biomethane are the only fuel pathways in the Oregon CFP that achieve deeply negative carbon intensity scores — in the range of -300 to -700+ gCO₂e/MJ — by virtue of the avoided methane emissions credit. Every other credit-generating fuel in the program carries a positive CI score and generates credits only by falling below the fossil baseline. Oregon's path to a 50% CI reduction by 2040 requires a meaningful supply of deeply carbon-negative fuels to offset the remaining fossil fuel volume in the transportation fleet. Dairy biogas is structurally indispensable to that math.

If CRS's proposed CAFO amendment is adopted and DEQ does not create an independent alternative certification pathway, the likely outcome for facilities like Kettle Butte is loss of CFP eligibility and economic unviability. The result is not a smaller dairy — it is uncontrolled methane emissions from the same herd, under the same lagoon management that existed before we invested in this asset. Jerome Resources is not the dairy operator; we are an independent capital investor that purchased and rehabbed the asset. The dairy's behavior is independent of our revenue. Decertification removes the only party with a financial incentive to keep methane out of the atmosphere.

IV. Specific Requests

We ask that DEQ's rulemaking address the following in proposed amendments to OAR 340-253-0470:

- **Adopt an independent DEQ alternative certification pathway.** Amend OAR 340-253-0470(5)(a) to add the 2022-proposed language authorizing “an alternative system DEQ may develop for biogas-derived electricity” as a qualifying alternative to Green-e® certification. This gives DEQ the authority to protect existing certified biogas electricity pathways from future Green-e® standard changes without reopening a new rulemaking each time.
- **Extend whatever HB 2021 fix DEQ adopts to biogas electricity.** If DEQ develops an independent REC qualification standard or approves alternative certification systems to address the HB 2021 problem, the same framework should explicitly include biogas-derived electricity pathways. The two issues have identical root causes and the same structural solution.
- **Notify CRS before the July 6 comment deadline.** DEQ should formally notify CRS that the proposed CAFO amendment to the Green-e® Energy Standard would automatically modify Oregon's mandatory CFP rules, and request that CRS defer finalization until DEQ's own rulemaking process is complete. This is a simple step that protects Oregon's administrative integrity without requiring DEQ to take a position on the underlying CRS policy question.

We appreciate DEQ's focus on fixing the off-site renewable electricity provisions in this rulemaking and the recognition that the Green-e® dependency has created structural problems for CFP participants. The CAFO biogas electricity issue is the same problem presenting itself in a different context, and the current rulemaking is the right place to address it comprehensively.

We are happy to discuss these comments with DEQ staff or provide additional technical information on our facility's pathway certification, carbon intensity score, or operational structure. Please feel free to contact us at the information below.

Respectfully submitted,

Kevin Meaux

Director of Project Development

Jerome Resources

kmeaux@jerome.us | (331) 431-2924

June 29, 2026



(530)710-8545
info@maasenergy.com

June 26, 2026

Oregon Clean Fuels Program
Department of Environmental Quality
700 NE Multnomah Street, Suite 600
Portland, OR 97232

Subject: Informal Comments on Oregon Clean Fuels Program Rulemaking

Maas Energy Works (MEW) is a family-owned energy production business active in 11 states. We develop, own, and operate on-farm renewable energy facilities. We work with dairy families to create biogas from cow manure and other organic waste. That biogas is then used to generate vehicle fuel—usually compressed natural gas, but we can also produce electricity and hydrogen. Our ~220 employees operate the nation's largest fleet of dairy digesters on over 90 farms.

MEW appreciates the opportunity to provide these informal comments on the latest meeting of Oregon DEQ's Rulemaking Advisory Committee on the Clean Fuels Program.

DEQ has recognized that changes in broader electricity carbon accounting and external renewable electricity certification programs may create gaps between the renewable electricity resources the Clean Fuels Program seeks to incentivize. As DEQ notes in the discussion paper, the CFP adopted Green-e because it is a well-known option for ensuring the carbon integrity of RECs. The proposed changes to Green-e would preclude many biogas and RNG-to-power projects from the Clean Fuels Program.

MEW recognizes the role Green-e has played in the CFP, but Green-e should not become the sole practical gatekeeper for participation in a public, fuel-neutral clean fuels program. If Green-e certification becomes unavailable or impractical for otherwise eligible projects, DEQ should preserve a clear alternative pathway that does not unnecessarily exclude low-carbon electricity resources.

MEW is concerned that applying additional CAFO-related requirements through Green-e could create practical barriers for otherwise eligible biogas-to-electricity projects. Some of these requirements may not be directly tied to the carbon intensity or renewable electricity attributes of power generated from captured biogas. Without a workable alternative



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pathway, changes to Green-e could unnecessarily limit CFP participation for projects that otherwise provide low-carbon electricity and methane reduction benefits.

For that reason, MEW appreciates and supports DEQ's proposal to allow eligible RECs to be reviewed through the CFP's Third Party Verification process where Green-e certification is unavailable or impractical, especially as the eligible resource list includes biomass, biogas, and biofuels.

Dairy biogas and RNG-to-power projects provide low-carbon electricity while reducing methane emissions from manure that would otherwise be managed in lagoons or other agricultural waste systems. These projects require significant capital investment, long development timelines, and clear, workable program rules.

As DEQ develops the Third Party Verification pathway, MEW encourages the Department to make the process clear, timely, and workable so that reporting entities, verifiers, and project developers understand how eligible RECs will be reviewed. Providing that clarity early will help avoid market disruption for existing and near-term biogas and RNG-to-electricity projects that may no longer be able to rely on Green-e certification but can still support the CFP's low-carbon fuel goals.

Thank you for your ongoing work on this rulemaking and for the opportunity to provide comments.

Sincerely,
Dallas Spiecker
Public Affairs and Marketing Communications
Maas Energy Works

Marc Ventura

Sr Specialist, Fuels Issues



PROVIDING ENERGY. IMPROVING LIVES.

June 25, 2026

To Oregon DEQ Clean Fuels Program (CFP) Staff

Submitted electronically at CFP2026@deq.oregon.gov

Comments on the June 10, 2026, CFP RAC Meeting

Phillips 66 Company (Phillips 66) appreciates the opportunity to comment on the Oregon 2026 Clean Fuels Program (CFP) Rulemaking Advisory Committee (RAC) Meeting #2 that was held on June 10, 2026.

Phillips 66 is a producer of conventional fuels and renewable fuels and operates a fuels terminal in Portland, Oregon. Phillips 66 markets fuels under the 76® brand on the U.S. West Coast. Phillips 66 looks forward to a continued successful CFP in the years to come.

Our primary comment is that DEQ should not enable “baseline CI crediting” for electric vehicle (EV) charging as doing so undermines the integrity and principal design of the program. Baseline CI crediting would compare the CI of the electricity – adjusted with the energy economy ratio or EER – to the baseline CI of 96.50 gCO₂e/MJ for light-duty vehicle applications, rather than the CI standard of 82.99 gCO₂e/MJ in 2027, and a declining CI score in future years. Baseline CI crediting defeats the purpose of the CFP and Low Carbon Fuel Programs (LCFS) in general by artificially inflating the number of credits generated by EV charging, without any incremental greenhouse gas reduction. This concept infringes on the requirements of the CFP to only account for real carbon emission reductions, as this scheme would not constitute real carbon reduction from the CI standards. DEQ should continue to set the same CI reduction standards for all fuels covered in the program. In the event DEQ wants to increase incentives for EVs it should consider other options that are not at odds with the fundamental integrity principles upon which the CFP is designed.

However, if DEQ decides to implement baseline CI crediting, then the baseline CI crediting concept should be applied to all low carbon fuels covered under the program, including biofuels such as ethanol, renewable diesel and biodiesel, and not just EV charging.

I am available to discuss our comments and can be reached at the contact information provided below.

Sincerely,

Marc Ventura

Marc.V.Ventura@p66.com

510-245-4405

Sr Specialist, Fuels Issues

Fuels Regulatory Affairs

Phillips 66 Company

July 2, 2026

Submitted via email to cfp2026@deq.oregon.gov

Oregon Department of Environmental Quality
Clean Fuels Program
700 NE Multnomah Street
Portland, OR 97232

PacifiCorp's Comments on Oregon Department of Environmental Quality Clean Fuels Program Rulemaking - RAC #2 Discussion Paper

PacifiCorp appreciates the opportunity to provide comments to the Oregon Department of Environmental Quality (DEQ) on topics discussed during the June 10, 2026, Clean Fuels Program (CFP) Rulemaking Advisory Committee (RAC) meeting and in the accompanying RAC #2 Discussion Paper. PacifiCorp supports the CFP objectives to reduce greenhouse gas emissions and increase electric vehicle (EV) adoption. However, the company encourages DEQ to prioritize regulatory clarity, administrative simplicity and efficiency, and flexibility for electric utilities in this rulemaking to deploy CFP revenues in a manner that maximizes stable, long-term customer benefits.

I. Spending Requirements for Revenue from Residential Charging Credits

PacifiCorp supports the CFP's continued reliance on electric utilities as the primary credit generator for residential charging credits. The company is well positioned to continue to deliver direct investments in transportation electrification (TE) for Oregonians. Since its inception in 2020, PacifiCorp's TE program has matured beyond a pilot-scale program, now offering an integrated framework that includes infrastructure development, utility investment, customer incentives, fleet electrification, and market transformation; all with a strong emphasis on underserved and rural communities.¹ In 2025 alone, the company invested over \$5 million in its Oregon TE portfolio² and forecasts investing over \$32 million in its TE portfolio from 2026 to 2028.³

As one of the two largest retail electricity providers in Oregon, PacifiCorp generates a significant portion of the total available residential base credits. This scale allows PacifiCorp to deliver its TE portfolio cost effectively. However, smaller community-owned electric utilities are positioned differently, and the company does not object to DEQ implementing size thresholds in its credit revenue spending proposals to ensure customers of small utilities are not burdened with unintended program costs. Therefore, the company generally supports DEQ's proposals for conditioning the expenditures of residential credit revenue - with several key recommendations to allow for appropriate programmatic flexibility.

¹ See PacifiCorp's 2025 Oregon Transportation Electrification Annual Report, UM 2056, May 1, 2026, available here: <https://edocs.puc.state.or.us/efdocs/HAH/um2056hah345962030.pdf>

² Id at p. 16, Table 3: 2025 Portfolio Budget Expenditure

³ See PacifiCorp's Final Transportation Electrification Plan for 2026-2028, UM 2056, July 25, 2025, available here: <https://edocs.puc.state.or.us/efdocs/HAH/um2056hah338553115.pdf>

a. PacifiCorp Supports Limiting Residential Credit Revenue to a Broad Definition of Transportation Electrification Expenses

PacifiCorp generally supports the agency's proposal to limit the residential credit revenue spending to investments in transportation electrification. This proposed limitation is consistent with equivalent programs in Washington and California, and it advances the overall objective of the program to increase electric vehicle adoption.

However, PacifiCorp suggests that DEQ pursue a more flexible definition of transportation electrification and not strictly follow or adopt Washington or California's prescriptive spending requirements by category and percentage. For example, PacifiCorp agrees that general spending on residential credit revenue for transportation electrification may include, but should not be limited to:

- Targeted grid upgrades to support increased residential or commercial electricity demand due to electric vehicle (EV) adoption or to support the deployment of public or fleet fast charging stations;
- Provision of free public charging;
- Supporting the installation of charging at existing or new multi-family or commercial properties;
- Deployment of public charging in low-income areas, rural areas, or areas where the ability to charge at single and multi-family homes is limited;
- Provision of incentives for school districts, fleets, and others to purchase medium- and heavy-duty electric vehicles, including grants; or
- Customer-focused incentives available to residential electric customers or small business customers, to help cover the costs of purchasing a new or used EV, a level 2 charger, or other customer-side improvements needed for a Level 2 charger, such as a panel

PacifiCorp recommends that DEQ develop a catch-all category or process in defining transportation electrification, allowing for an electric utility to request DEQ approval for an alternative residential credit revenue expenditure category that may not fit into the general list above.

b. PacifiCorp Recommends that DEQ Implement a Residential Credit Revenue Spending Timeline *Goal* and not a *Requirement*

While PacifiCorp supports the timely investment of program proceeds, a rigid annual spending threshold may introduce operational and market inefficiencies. DEQ has proposed that utilities spend at least half of their credit revenue in the year following receipt. However, utility-administered transportation electrification (TE) programs require time to design, implement, and—critically—scale effectively. DEQ appropriately acknowledges that “budgeting limitations or other circumstances” may constrain a utility's ability to fully expend credit revenue within a given year. Nevertheless, a fixed annual spending requirement could impede long-term planning, particularly in light of significant credit price volatility. PacifiCorp understands and appreciates DEQ's intent to accelerate TE investment in support of state greenhouse gas reduction goals. However, establishing a spending expectation as guidance, rather than a prescriptive requirement,

would provide utilities with the flexibility needed to maintain cost-effective TE portfolios and smooth revenue impacts over multiple years, while still generally targeting expenditure of at least half of credit revenues in the year following receipt.

c. PacifiCorp Supports the Targeted Use of CFP Revenues for EV Rebates with Customer Protection and Program Flexibility

PacifiCorp generally supports DEQ’s proposal to dedicate a portion of credit revenues to customer incentives – with a preference for EV rebates – recognizing the important role rebates play in accelerating transportation electrification, particularly considering the recent decline in EV sales. However, this requirement should be implemented in a manner that minimizes administrative burden and maximizes customer benefit. Specifically, PacifiCorp recommends that any required funding for EV rebates be structured as a direct transfer of funds to an existing state rebate program,⁴ rather than requiring utilities to develop or administer new programs. This approach ensures that credit value is delivered efficiently while avoiding unnecessary administrative costs.

It is also essential that credit revenues generated by PacifiCorp provide direct benefits to PacifiCorp’s retail electric customers. Without appropriate safeguards, a centralized rebate structure could inadvertently shift benefits across utility service territories, resulting in PacifiCorp subsidizing EV adoption for customers of other utilities. To maintain fairness and regulatory integrity, DEQ should ensure that funds contributed by each utility are proportionally directed to customers within that utility’s service area. In addition, PacifiCorp recommends that any funding requirement be defined in dollar terms rather than a fixed quantity of credits, given the inherent volatility in credit prices and the need for predictable budgeting.

Finally, while PacifiCorp supports increased investment in EV rebates, the requirement should not disrupt the utility’s ability to plan and deliver a comprehensive portfolio of transportation electrification programs. CFP forecasted revenues are already incorporated into long-term planning, and any new set-aside should be implemented flexibly to avoid undermining existing commitments or limiting future investments in critical programs such as charging infrastructure, managed charging, and fleet electrification.⁵ PacifiCorp should retain the flexibility to balance rebate contributions with other essential initiatives to ensure cost-effective, reliable, and equitable transportation electrification for its customers.

II. PacifiCorp Supports Standardized Use of Residential Charging Revenue Reporting Template

PacifiCorp supports DEQ’s proposal to develop a standardized reporting template for utility use of residential Clean Fuels Program credit revenues. Establishing a template—aligned

⁴ The existing Oregon Clean Vehicle Rebate Program (OCVRP) offers multiple rebates options, include the Charge Ahead rebate available to low- and moderate-income households, and low-income service providers. DEQ should consider whether credit revenues used to fund the Charge Ahead program would qualify as using CFP benefits to reach underserved communities. See <https://evrebate.oregon.gov/>

⁵ The Oregon Public Utility Commission requirements emphasize stable and predictable transportation electrification revenue streams. See Oregon Public Utility Commission. (2017, December 18). *Order No. 17-512: Investigation into utility participation in Oregon Clean Fuels Programs* (Docket No. UM 1826).

where possible with existing approaches in neighboring jurisdictions—would improve transparency, comparability, and administrative efficiency. PacifiCorp recommends that DEQ look to Washington’s reporting template as a model, given its structured, clearly defined categories and demonstrated applicability to utility programs.

At the same time, DEQ should ensure that any new reporting requirements are carefully designed to complement, rather than duplicate, existing Oregon Public Utility Commission (OPUC) reporting obligations. Utilities are already subject to multiple reporting frameworks, and misalignment across agencies can create unnecessary administrative burden without improving regulatory outcomes.

Accordingly, PacifiCorp encourages DEQ to coordinate with the OPUC and DEQ’s regional counterparts to streamline reporting requirements across jurisdictions, ensuring that annual reporting on residential credit revenue spending is consistent, efficient, and avoids redundant effort while still meeting DEQ’s transparency and accountability objectives.

III. PacifiCorp Supports DEQ’s Proposed Updates to Electricity Crediting (EER and Baseline Credits)

PacifiCorp supports DEQ’s proposed updates to electricity crediting, including refinements to the energy economy ratio (EER) and baseline crediting structure, as these changes generally improve the accuracy and integrity of credit generation under the CFP. Aligning crediting methodologies with real-world vehicle efficiency and updated carbon intensity assumptions strengthens the program’s ability to appropriately value transportation electrification and supports continued investment in cost-effective emissions reductions.

To the extent that DEQ’s proposed adjustments increase the effective credit yield associated with electricity used for transportation, whether through revised EER values or modifications to baseline credit calculations for utilities that offer EV rebates, these changes could also result in increased credit revenues. In turn, DEQ’s proposal should enhance the total pool of revenue available to electric utilities for reinvestment in transportation electrification programs that benefit utility customers. Furthermore, as Oregon’s clean energy targets drive the reduction of the carbon intensity of electricity, these proposed updates to electricity crediting may, over time, have an increasing impact on overall credit yield.

IV. PacifiCorp Supports Additional Flexibility in Eligible REC Purchases for the Generation of Incremental Credits

PacifiCorp supports DEQ’s exploration of additional flexibility within the Clean Fuels Program to allow for alternative pathways—beyond Green-e certification—for demonstrating the eligibility of renewable energy certificates (RECs) used to generate incremental low carbon fuel credits. Expanding eligibility pathways could increase market participation and reduce barriers to acquiring qualifying RECs. However, PacifiCorp cautions that reliance on a third-party verification framework may introduce significant administrative complexity and cost, both for utilities and for DEQ. Even with a third-party verification option, Green-e certified RECs, while

potentially carrying a market premium, may remain the most cost-effective and administratively efficient way to generate incremental credits.

PacifiCorp generally supports DEQ's objective of ensuring that RECs used for incremental credit generation are not also reflected in the Oregon annual greenhouse gas reporting program used to establish statewide or utility-specific carbon intensity mixes. However, the risk of double counting across jurisdictions is minimal, as programs such as Washington's Clean Energy Transformation Act and California's Renewable Portfolio Standard also require REC retirement, which prevents use for multiple purposes. Maintaining a clear linkage between REC eligibility and emissions accounting is important for program integrity, but any alternative pathway should meet this standard without introducing duplicative or burdensome verification requirements.

Finally, PacifiCorp encourages DEQ to recognize the broader regional benefits of REC-based incremental crediting. Allowing RECs to be sourced from across the Western Interconnection, regardless of whether the underlying generation or electricity consumption occurs within Oregon, reflects the operational reality of an interconnected grid. Incremental credit generation driven by REC purchases for Oregon's CFP contributes to system-wide decarbonization across the West, consistent with the program's objectives. As such, DEQ should ensure that eligibility rules do not unnecessarily restrict REC sourcing based on geographic boundaries and instead preserve the program's ability to incentivize renewable energy development and emissions reductions at a regional scale.

V. Conclusion

PacifiCorp appreciates DEQ's thoughtful consideration of these issues and looks forward to continued engagement in this important rulemaking. The company encourages DEQ to coordinate with the OPUC as this rulemaking advances. Aligning CFP requirements with existing OPUC transportation electrification programs will help ensure investor-owned utilities are subject to complementary—not conflicting or duplicative—requirements. PacifiCorp supports the shared objective of delivering cost-effective, customer-focused transportation electrification outcomes for Oregonians.

Sincerely,

/s/ Kieran O'Donnell

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PGE Comments on Oregon DEQ Clean Fuels Program 2026 Electricity Discussion Paper

June 26, 2026

Portland General Electric Company (PGE) appreciates the opportunity to comment on the Oregon Department of Environmental Quality's (DEQ) Clean Fuels Program (CFP) 2026 Electricity Discussion Paper. PGE is a committed partner in Oregon's transportation electrification efforts, and DEQ's CFP design, and welcomes DEQ's continued work to strengthen a program that is practical, equitable, and genuinely beneficial to customers across the state.

PGE shares DEQ's interest in seeing that the value created by residential EV charging flows back into programs and incentives that accelerate Oregon's transition to cleaner transportation. PGE also supports DEQ's focus on increasing the value available for transportation electrification through updated electricity crediting, renewable electricity and REC pathways, and customer-focused incentives. At the same time, PGE recommends that DEQ design these mechanisms to expand overall transportation electrification investments, maintain flexibility in infrastructure deployment, and avoid unintended market effects that could reduce the value of additional credit generation.

PGE supports directing residential charging credit revenues to transportation electrification

Transportation electrification requires a comprehensive "ecosystem" of support that addresses multiple, interrelated barriers. Vehicle rebates can play an important role, particularly for low- and moderate-income customers.

Beyond individual vehicle rebates, the EV ownership experience presents additional barriers that extend beyond the vehicle purchase. Utilities, through the strategic use of CFP revenues, play a critical role in addressing these challenges by supporting investments in public, multifamily, fleet, school bus, workplace, and corridor charging; managed charging programs; customer education; and targeted distribution infrastructure upgrades where EV charging growth creates localized grid needs.

Together, these complementary programs enable a more holistic approach. CFP funds should remain available to allow utilities, in coordination with the state, to sequence investments based on market adoption, customer demand, site readiness, load flexibility opportunities, and community need to guide where and when CFP funds are deployed. This approach helps address diverse barriers across the transportation electrification market, maximizing community benefit and avoid unnecessary upward pressure on customer rates.

PGE recommends that DEQ define CFP-eligible transportation electrification uses broadly, including at minimum: EV purchase rebates; home charging equipment and installation; panel and customer-side electrical upgrades; public, multifamily, and fleet charging infrastructure; school bus and transit electrification; targeted grid upgrades that create local capacity for emerging EV

charging demand; customer education and outreach; managed charging programs; investments in underserved communities; and emerging technologies that support transportation electrification.

Customer-focused incentive spending requirements should complement utility program planning and budgeting cycles, and be based on actual revenues received

PGE supports DEQ's exploration of pathways to enable adoption including customer-focused incentives as one tool to realize the benefits of transportation electrification. PGE has several programs today designed to reduce the upfront cost barriers to EV adoption and support the grid including our Residential Smart Charging program, Business Rebate program, CFP-funded Drive Change Fund, and CFP-funded Electric School Bus Fund. These programs enable customer EV load to be coordinated as a grid asset, lowering the costs of electric fuel and delivering system-wide benefits to all ratepayers beyond individual participants. They also directly support residential customers as well as small and medium businesses and nonprofits. Accordingly, PGE requests that DEQ provide a clear definition in its final rule of what qualifies as a small business.

In planning its CFP expenditures, PGE follows the guidance established in [Order No 18-376](#) in [Docket No. UM 1826](#) and has taken a portfolio approach to effectively steward the revenues on behalf of our residential customers through its OPUC approved, publicly informed and available Transportation Electrification Plan (TEP). The current TEP is approved through 2028. Any substantive changes in spending requirements as a result of this rulemaking could put planned expenditure and programs at risk. As DEQ considers changes to the rule for how utilities spend CFP revenues, PGE recommends any changes go into effect in alignment with TEP planning cycles.

Additionally, there is a two-year delay between credit generation and when revenues are expended in programs: credits generated in 2027 will be monetized in 2028 and directed into programs in 2029. Given the timing of credit generation and monetization, DEQ should also allow sufficient notice for any resulting spending requirements.

CFP credit prices have fluctuated considerably, and DEQ's discussion paper notes a historical range from \$20 per ton to \$180 per ton. Because of this, PGE recommends that any percentage-based spending requirement be calculated against actual revenues received from sold residential credits rather than theoretical credit value and that the ultimate percentage be based off the results of the thorough analysis of expected market impacts conducted through this rulemaking.

DEQ should allow utilities to contribute toward a State EV rebate program to satisfy customer-focused incentive requirements

PGE recommends that one avenue to satisfy a residential customer-focused incentive requirement be by contributing to a state-managed EV rebate program rather than administering separate utility-run programs. A state-managed program offers meaningful advantages. It avoids administrative duplication across multiple utilities, each with its own application portal, eligibility criteria, and payment timeline. It creates a more consistent and transparent customer experience, particularly for customers who may not know which utility territory they reside in or how to navigate competing programs. It also gives the state better visibility of how rebate funds are distributed and whether they are achieving their intended goals. Equally important, a centrally administered program is better positioned to apply consistent eligibility criteria and to coordinate with existing state EV incentive programs.

PGE supports directing revenues toward underserved communities using HB 2165 definitions

PGE agrees that a meaningful share of transportation electrification spending should benefit those that need it most. PGE utilizes definitions enacted in [House Bill 2165](#) (HB 2165) across its TE portfolio when making investments and reports those expenditures as required to the OPUC annually. Where specific definitions are necessary, PGE recommends that DEQ utilize the established state requirements and definitions, including those in HB 2165, and ensure that any requirement that revenues be directed toward benefiting underserved communities be achievable through any parallel customer incentive requirement.

PGE supports preserving narrative opportunity in reporting

PGE values the existing reporting structure as it provides utilities the flexibility to offer narrative context and testimony alongside quantitative data, giving DEQ and other stakeholders a fuller picture of the range of programs, community contexts, and investment decisions that utilities are making on behalf of their customers. As DEQ considers a standardized reporting structure, PGE recommends that DEQ maintain opportunities for narrative and explanation.

Customer programs do not neatly fit calendars so DEQ should provide clear rollover provisions

PGE recommends DEQ allow reasonable rollover of unspent or committed funds. In practice, rebate programs, infrastructure projects, and state-administered funding cycles do not always align neatly with the calendar year. Funds may be committed in one year and disbursed in the next due to customer timelines, procurement requirements, construction schedules, or program launch delays. The final rule should recognize committed funds as satisfying the spending requirement, not solely funds that have cleared a utility's accounts by December 31. DEQ's discussion paper already contemplates rollover in some form, and PGE encourages the agency to make that provision clear and workable in the final rule. The treatment of administrative and program development costs should also be addressed explicitly.

PGE supports workable pathways for Renewable Energy Certificates (RECs) to unlock incremental credits but DEQ's initial proposal is restrictive

PGE supports DEQ's efforts to preserve the current pathway for Renewable Energy Certificates (RECs) to generate CFP value while also exploring an additional compliance option that maintains program integrity. DEQ proposes allowing RECs to continue qualifying through Green-e® Energy certification while also creating an alternative pathway under which reporting entities may procure RECs sourced from a narrower geographic region and verified to ensure they have not been counted under California's or Washington's cap-and-invest programs.

The proposed alternative standard exceeds the assurances currently provided under Green-e® Energy certification regarding avoidance of double claims associated with cap-and-invest programs. The proposed geographic limitations on non-Green-e-certified RECs are unnecessarily restrictive and ignore the fact that energy delivered to Oregon is generated beyond just its neighboring states.

PGE encourages DEQ to ensure the final framework establishes clear, commercially practical eligibility criteria. Specifically, qualifying characteristics should be knowable and verifiable by market participants at the time of REC purchase, rather than dependent on information or verification processes that occur later or are not readily accessible to the market. An alternative compliance pathway that cannot be reliably verified at the time of transaction is unlikely to be widely utilized.

PGE also recommends that DEQ review the portfolio of generation resources currently reported by Oregon utilities to serve Oregon electric load before narrowing the geographic eligibility of RECs that support credit generation.

Conclusion

PGE appreciates DEQ's thoughtful approach to strengthening the Clean Fuels Program and supports the proposal's core direction. Residential EV charging credit revenues should support transportation electrification, and underserved communities should receive meaningful, visible benefits.

PGE's overriding recommendation is that the final rules be designed to increase the total funding available for transportation electrification rather than redistributing or reducing funding for established programs that are already getting results. That principle should guide each major element of the final rules: the definition of eligible transportation electrification uses, the design of any customer-focused rebate requirement, the treatment of baseline or additional crediting, the verification of renewable electricity and RECs, and the preservation of existing reporting flexibility.

A durable CFP framework should recognize that EV adoption depends on more than purchase incentives alone. CFP funds should remain available for the infrastructure and grid investments needed to serve customers as adoption grows, including targeted distribution upgrades where localized EV charging load creates system needs.

PGE also encourages DEQ to proceed carefully with credit-expansion mechanisms and recommends that DEQ rely on independent third-party analysis, market monitoring, and adjustment mechanisms to ensure that any additional crediting approach achieves its intended purpose of expanding customer and transportation electrification benefits.

Done well, the framework DEQ is developing could meaningfully accelerate EV adoption, expand equitable access to clean transportation, and build the infrastructure and grid readiness that Oregon will need for decades to come. PGE looks forward to continuing to work with DEQ toward that outcome.

Contact: Sarah Buchwalter, Government Affairs Manager, sarah.buchwalter@pgn.com



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June 26, 2026

Mr. Bill Peters
Oregon Department of Environmental Quality
700 NE Multnomah Street, Suite 600
Portland, OR 97232

Submitted electronically via email to: CFP2026@deq.Oregon.gov

**RE: POET COMMENTS ON OREGON'S DEPARTMENT OF ENVIRONMENTAL
QUALITY'S CLEAN FUEL PROGRAM RULEMAKING**

Dear Mr. Peters:

POET appreciates the opportunity to participate in Oregon's Department of Environmental Quality's ("DEQ") Clean Fuel Program ("CFP") Rulemaking and to provide comments on the June 10 CFP Rulemaking Workshop ("June 10 Workshop"). POET has participated actively in past rulemakings through the submission of comments and engagements with DEQ's staff, and POET looks forward to continuing its positive relationship with DEQ throughout the new CFP rulemaking process.

During the June 10 Workshop, DEQ focused on how to increase the uptake of electric vehicles ("EVs") in Oregon while giving relatively little attention to the benefits of biofuels.¹ To meet its EV-adoption goal, DEQ highlighted several proposed strategies.² One option, referred to as the "Baseline crediting concept," proposes that credits for EV charging be determined based on the original gasoline baseline of 96.50 CO₂e/MJ for five years while other clean fuels are credited based on the declining CI standard required by the program.³ In other words, DEQ proposes preferentially crediting EV charging based on a static and higher CI baseline while disadvantaging other clean fuels by allowing them to generate significantly fewer credits. To justify this approach, DEQ explains that although "the declining CI standard is an important tool in the program to create a clear signal to continually improve the carbon intensity of the fuel we use," with respect to

¹ See generally Rulemaking Advisory Committee Meeting #2, Clean Fuels Program – 2026/2027 Rulemaking (June 10, 2026) ("June 10 Workshop Slides"), available at <https://ormswd2.synergydcs.com/ORMSCMSearchDEQ/Search/RecordViewer.aspx?uri=7070658>.

² See generally June 10 Workshop Slides.

³ *Id.* at slides 34-37.

electricity “there are other policies (coal phase-out, HB 2021, etc.) that are better able to control the carbon intensity of the fuel.”⁴ Thus DEQ proposes using the CFP—not another policy—to prop electricity above other clean fuels through the proposed CI-baseline differentiation strategy.

DEQ’s proposal reflects a clear deviation from the program’s technology neutrality and puts Oregon at risk of being unable to realize its ambitious carbon-reduction goals. Non-electricity clean transportation fuels like bioethanol have significant GHG-reduction capabilities and can help Oregon meet its goals, as POET has discussed in detail in recent comments.⁵ Rather than relegate biofuels to the same level as fossil gasoline, DEQ should recognize their GHG-reduction benefits and incorporate them into the CFP. In fact, the June 10 Workshop explained precisely why DEQ should be looking closely at biofuels: because “gasoline vehicles being sold this year, on average, will still need reliable fuel supplies in 2040.”⁶ Bioethanol is available today, at scale, to customers in Oregon, and will be for the foreseeable future. Moreover, innovations in areas such as carbon capture and storage and climate-smart agriculture are continually lowering the CI of bioethanol. With legacy internal combustion engine vehicles expected to exist in Oregon’s transportation sector for decades to come, low-CI bioethanol can displace fossil gasoline and be a real, verifiable GHG reduction. DEQ should recognize this and maintain the technology-neutrality of the CFP.

Electricity as a transportation fuel, while important, is just one of several clean transportation fuels that make up the CFP. As DEQ stated in the June 10 Workshop, “there are other policies” that can be, and are, used to lower the CI of electricity and support further electrification.⁷ Oregon should use those policies to support further adoption of EVs, rather than choose winners and losers under the technology-neutral CFP.

POET appreciates the opportunity to comment and looks forward to working with DEQ to make the Clean Fuel Program a continued success for Oregon. If you have any questions, please contact me at Paul.Townsend@POET.com or (605) 756-5612.

Sincerely,



Paul W. Townsend
Regulatory Counsel

⁴ *Id.*

⁵ See Clean Fuels Program 2026-2027 Rulemaking, Public Comments, Rulemaking Advisory Committee (RAC) Meeting #1, March 18, 2026, at pp. 31-37, available at <https://ormswd2.synergycs.com/ORMSCMSearchDEQ/Search/RecordViewer.aspx?uri=7063610>.

⁶ June 10 Workshop Slides at slide 8.

⁷ *Id.* at slide 36.



Oregon Clean Fuels Program
Department of Environmental Quality
700 NE Multnomah Street, Suite 600
Portland, OR 97232

RNG COALITION Informal Comments on Oregon DEQ's CFP RAC Meeting #2

The RNG COALITION appreciates the opportunity to provide these informal comments on the latest meeting of Oregon DEQ's Rulemaking Advisory Committee on the Clean Fuels Program.

The RNG COALITION represents the renewable natural gas industry across North America, including hundreds of companies throughout the renewable gas supply and value chain. Our members support the development and deployment of renewable natural gas for decarbonization solutions across various sectors.

We appreciate DEQ's recognition that changes in broader electricity carbon accounting and external renewable electricity certification programs may create gaps between the renewable electricity resources the CFP seeks to incentivize and the resources able to qualify under Green-e certification. As DEQ notes in the discussion paper, the CFP adopted Green-e because it is a well-known option for ensuring the carbon integrity of RECs.

RNG COALITION is concerned that proposed changes to the Green-e Renewable Energy Standard could significantly limit the ability of RNG and biogas-to-electricity projects to remain eligible for Green-e certification and, by extension, to participate in Oregon's CFP. As we understand the proposal, CRS is considering applying the Green-e Renewable Fuels CAFO criteria to CAFO-derived biogas used in Green-e Energy certified products, even where that biogas is not upgraded to RNG. Oregon's CFP should not allow private, voluntary Green-e criteria to become the practical gatekeeper for participation in a public, fuel-neutral clean fuels program.

We are concerned that this approach could create practical barriers for otherwise eligible biogas-to-electricity projects. The CAFO criteria include facility-level requirements that may not



be directly tied to the carbon intensity or renewable electricity attributes of the power generated from captured biogas, and may be infeasible for many existing or prospective projects to satisfy. Without a workable alternative pathway, Green-e changes could limit CFP participation for biogas-to-electricity projects that otherwise provide low-carbon electricity and methane reduction benefits.

For that reason, RNG COALITION appreciates and supports DEQ's proactive proposal to allow eligible RECs to be reviewed through the CFP's Third Party Verification process where Green-e certification is unavailable or impractical, especially because DEQ's eligible resource list includes biomass, biogas, and biofuels. RNG and biogas-to-power projects can provide low-carbon electricity while also reducing methane emissions from organic waste streams such as landfills, wastewater treatment facilities, food waste, and agricultural waste.

As DEQ develops the Third Party Verification pathway, RNG COALITION encourages the Department to make the process as clear and timely as possible so that reporting entities, verifiers, and project developers understand how eligible RECs will be reviewed. Providing that clarity early will help avoid market disruption for existing or near-term biogas and RNG-to-electricity projects that may no longer be able to rely on Green-e certification but can still support the CFP's decarbonization goals.

Thank you for your ongoing work on this rulemaking and for the opportunity to provide feedback.

Regards,

Yanni Psareas
Manager of State Government Affairs
RNG COALITION
561-886-7924
yanni@rngcoalition.com



June 26, 2026

Bill Peters
Clean Fuels Program Lead
Oregon Department of Environmental Quality

Re: 2026 CFP Rulemaking Update- Regulatory Advisory Committee Comments

Submitted electronically at CFP2026@deq.Oregon.gov

Dear Bill,

RPMG Inc. (RPMG) appreciates the opportunity to comment on the 2026 Oregon Clean Fuels Program regulatory update. RPMG is a biofuel marketing company representing our owner and marketing partner ethanol facilities located throughout the Midwest. Our member facilities provide both ethanol and distillers corn oil (DCO) as essential inputs to Oregon's clean-fuels market in substantial quantities. Since the Program's inception, RPMG has supported Oregon's clean transportation fuel policy and worked diligently with DEQ to improve the administration of the Program.

The staff presentation¹ at the second RAC meeting clearly reiterated that the basis for this rulemaking is rooted in Governor Kotek's Executive Order² and that there is direction on DEQ to find ways to incentivize ZEVs. It was also clear from the presentation that liquid fuels will be a significant percentage of the state's vehicles for decades to come. It is RPMG's belief that both the near-term and long-term goals of the CFP are supported with low-carbon liquid fuels. The ethanol industry as a whole, and RPMG member facilities specifically, are making significant investments in state-of-the-art technology, including cellulosic ethanol, carbon capture and storage (CCS), and more efficient process energy sources, to name a few. These efforts are focused on bringing Oregon the lowest carbon-intensity fuels possible and thereby providing a consistent supply of lower carbon, high octane fuel. These strategically advantaged fuels and feedstocks are now available and affordable for energy consumers, including at levels up to 85% replacement of gasoline for ethanol and 100% replacement of diesel for DCO as a feedstock to Biomass-based Diesel, Renewable Diesel, and Sustainable Aviation Fuel on a volumetric basis.

RPMG's previous comments from the initial RAC meeting highlight our concern that any regulatory changes that jeopardize these volumes of low-carbon fuels coming to Oregon should be avoided.³ Having a technology-neutral marketplace is key to continued investments by liquid fuel providers. The 'Baseline Crediting Concept' as outlined at the meeting is concerning. This concept proposes a completely separate credit-calculation methodology; i.e., DEQ is proposing two different sets of math for credit calculation. This is inherently unfair and provides a disincentive for ethanol producers seeking to lower their carbon scores. All transportation fuel providers are racing to the same goal—zero carbon (or even negative

¹ <https://ormswd2.synergydcs.com/ORMSCMSearchDEQ/Search/RecordViewer.aspx?uri=7070658>

² <https://www.oregon.gov/gov/eo/eo-25-29.pdf>

³ <https://ormswd2.synergydcs.com/ORMSCMSearchDEQ/Search/RecordViewer.aspx?uri=7063610>

carbon) fuels. When the rules of the race are uneven, there will be fewer participants signing up to run, less investment, less innovation, and in the end, a diminished outcome.

The Baseline Crediting Concept, coupled with the proposal for enhanced Energy Economy Ratios, will lead to a “boost in credit generation by 55-80%,” according to DEQ.⁴ RPMG is opposed to these types of policy changes that overtly pick a single winning technology, AND set a precedent that the foundational rules of the game will change over time. And not only that they will change, but that they are explicitly being changed to benefit a predetermined technology outcome, rather than a emissions-based outcome.

During the RAC meeting, a question was asked about the market implications of boosting ZEV credit generation by such a large multiplier. Staff deferred an answer. It is an important question that needs robust analysis. There will be direct supply/demand/price implications with the additional credits hitting the CFP marketplace. In addition, there will be secondary impacts if the CI standard curve is tightened to reflect these anticipated credits. If that happens, each gallon of liquid fuel would produce fewer credits, or even deficits, sooner. This secondary impact should be fully analyzed prior to any formal proposal and should include potential costs to consumers who remain driving liquid fuel vehicles.

Nothing short of the CFP’s market integrity is at stake in this rulemaking. Oregon’s CFP has consistently provided environmental leadership *and* a steady market signal that innovation will be rewarded. RPMG believes such leadership requires one set of calculations for credit generation.

In Closing

RPMG appreciates the DEQ process of hosting RAC meetings to get input before in-depth rulemaking and amendment drafts are started. The CFP Program has been one of stability, while accepting innovation. RPMG’s goal in participating is to help DEQ continue to set consistent market signals that allow for innovation and investment from all fuel types. Please contact me with any questions on these comments.

Thank you,



Jessica W Hoffmann
Chief Compliance Officer
RPMG Inc.

⁴ <https://ormswd2.synergycs.com/ORMSCMSearchDEQ/Search/RecordViewer.aspx?uri=7069582>



Antonio Machado

Director, Northwest Regulatory Affairs and Fuels

June 26, 2026

Sent via email to: CFP2026@deq.oregon.gov

Mr. Bill Peters
Clean Fuels Program Manager
Oregon Department of Environmental Quality
700 NE Multnomah St., Suite #600
Portland, OR 97232

Re: WSPA Comments on Oregon Clean Fuels Program Rulemaking – Rulemaking Advisory Committee Meeting #2

Dear Mr. Peters,

The Western States Petroleum Association (WSPA) appreciates the opportunity to provide comments regarding the Oregon Department of Environmental Quality's (DEQ) ongoing Clean Fuels Program (CFP) rulemaking, including the transportation electrification and electricity crediting concepts discussed during Rulemaking Advisory Committee (RAC) Meeting #2.

WSPA is a non-profit trade association that represents companies that safely explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California, Washington, Oregon, Nevada, and Arizona. WSPA member companies participate in Oregon's CFP and similar programs across the West Coast and are committed to supporting effective, durable, and cost-efficient emissions reductions.

WSPA supports a Clean Fuels Program that remains technology neutral, market based and grounded in realistic and achievable emissions reductions. Durable emissions progress depends on compliance feasibility, fuel availability, and flexible pathways that deliver reliable and affordable energy for the existing fleet that will remain in use for decades.

WSPA appreciates DEQ's continued commitment to stakeholder engagement throughout this rulemaking process. The June RAC discussion provided an important opportunity to examine transportation electrification proposals, utility credit revenue requirements, and potential revisions to electricity credit generation methodologies. As DEQ continues development of the CFP framework through 2040, WSPA respectfully encourages the Department to preserve the principles that have historically contributed to the program's success: technology neutrality, market stability, regulatory predictability, transparency, compliance feasibility, and cost-effective lifecycle greenhouse gas reductions.

WSPA's comments focus on key policy considerations and implementation principles that we believe should guide future rule development.

General Comments

Maintaining a Technology-Neutral and Market-Based Program

The Oregon CFP intends to function as a technology-neutral, performance-based program that rewards verified lifecycle greenhouse gas reductions regardless of fuel type or technology pathway. This market-based framework has encouraged investment across a diverse portfolio of lower-carbon transportation fuels while providing regulated parties flexibility to identify cost-effective compliance strategies.

As DEQ evaluates increasingly stringent carbon intensity reduction requirements through 2040, preserving technology neutrality will become increasingly important. Achieving Oregon's long-term climate objectives will likely require contributions from a wide range of compliance pathways, including renewable liquid fuels, renewable gaseous fuels, electricity, hydrogen, and emerging technologies that may not yet be commercially available at scale.

A durable CFP framework should continue to encourage competition among low-carbon pathways based on verified lifecycle greenhouse gas performance rather than regulatory preference. Maintaining a diverse portfolio of compliance options improves program resiliency, reduces compliance risk, and allows market participants to respond to evolving technologies, infrastructure development, fuel availability, and consumer preferences.

While transportation electrification is an important policy objective, the CFP functions most effectively when it remains focused on rewarding verified lifecycle greenhouse gas reductions. Broader transportation and infrastructure objectives may be addressed through complementary policies and programs. Maintaining a clear connection between CFP credit generation and environmental performance will help preserve program transparency, efficiency, and stakeholder confidence.

WSPA encourages DEQ to ensure that future CFP modifications continue to reward verified emissions reductions regardless of technology pathway and avoid creating unintended disparities among competing low-carbon fuel options.

Supporting Near-Term Emissions Reductions While Planning for Long-Term Goals

Throughout the RAC process, DEQ has emphasized the important role transportation electrification is expected to play in achieving future carbon intensity reduction targets. WSPA recognizes that electrification may become an increasing component of Oregon's long-term transportation strategy and appreciates DEQ's efforts to evaluate pathways capable of supporting future program objectives.

At the same time, the CFP has historically delivered emissions reductions through a diverse portfolio of low-carbon fuels that are available and reducing emissions today. Renewable diesel, biodiesel, renewable natural gas, and other lower-carbon fuel pathways are currently providing measurable lifecycle greenhouse gas reductions across Oregon's existing vehicle fleet without requiring vehicle replacement, extensive infrastructure deployment, or significant changes in consumer behavior.

As DEQ considers future program modifications, WSPA encourages the Department to balance long-term transportation transformation objectives with the continued need to achieve near-term emissions reductions. Maintaining multiple compliance pathways helps ensure that emissions reductions continue to occur while new technologies, infrastructure, and market conditions evolve.

A CFP framework that supports both immediate emissions reductions and long-term innovation will be better positioned to achieve durable, cost-effective environmental outcomes while preserving flexibility for regulated parties and consumers.

Long-Term Compliance Pathways and Program Resiliency

A recurring theme throughout the June RAC discussion was DEQ's view that achieving future CFP targets will require substantial growth in transportation electrification. WSPA appreciates DEQ's

efforts to evaluate future compliance pathways and acknowledges the challenges associated with achieving increasingly stringent carbon intensity reduction targets. The CFP has historically benefited from maintaining a diverse portfolio of compliance options and credit-generation pathways. A program that relies upon multiple sources of credit generation is generally more resilient, adaptable, and capable of responding to changing market conditions than one that becomes increasingly dependent upon a single compliance pathway.

Concentrating an increasing share of compliance value within a single pathway may reduce flexibility and increase compliance risk if market conditions, infrastructure development, technology deployment timelines, or consumer adoption patterns differ from current projections.

As DEQ evaluates future program requirements extending through 2040, WSPA encourages the Department to consider how proposed modifications affect the diversity of available compliance pathways. Preserving multiple compliance options will help maintain the flexibility, resiliency, and adaptability that have historically contributed to the CFP's success.

Transportation Electrification and Program Scope

WSPA recognizes the role transportation electrification may play in Oregon's future transportation system and appreciates DEQ's efforts to evaluate strategies that support transportation-sector emissions reductions.

However, several proposals currently under consideration would substantially increase the relative compliance value associated with electricity within the CFP. As DEQ evaluates these concepts, it should carefully consider whether proposed modifications remain consistent with the CFP's longstanding role as a fuel carbon intensity program focused on rewarding verified lifecycle greenhouse gas reductions.

As additional transportation electrification mechanisms are considered, maintaining a clear relationship between credit generation and measurable emissions reductions will remain important to preserving program transparency, credibility, and stakeholder confidence. WSPA encourages DEQ to ensure that future program modifications remain grounded in the CFP's core purpose and continue to reward environmental performance through objective and technology-neutral mechanisms.

Transportation Electrification Spending Requirements

WSPA appreciates DEQ's efforts to ensure that revenues generated through residential charging credit programs are used in ways that support transportation electrification and provide benefits to Oregon consumers.

Transportation electrification requires a broad range of investments, including charging infrastructure deployment, make-ready investments, fleet electrification projects, multifamily charging solutions, public charging infrastructure, customer education, workforce development, and grid improvements necessary to support increased transportation electricity demand. However, the effectiveness of any expenditure requirement will depend significantly upon how transportation electrification activities are defined and implemented.

A narrowly defined expenditure framework could unintentionally limit investments that provide meaningful transportation benefits while reducing utilities' ability to address local circumstances, geographic differences, and evolving transportation needs. Accordingly, WSPA encourages DEQ

to adopt a broad and flexible definition of transportation electrification that recognizes the diversity of investments necessary to support transportation decarbonization across Oregon.

Utility Spending Mandates and Implementation Flexibility

DEQ is also evaluating options that would require larger utilities to dedicate a portion of residential charging credit revenues toward customer-facing incentives, including vehicle purchase incentives and charging equipment programs.

While WSPA understands the rationale underlying these proposals, utility service territories vary significantly with respect to customer demographics, charging infrastructure needs, geographic characteristics, available resources, and transportation electrification opportunities.

As a result, a prescriptive statewide expenditure requirement may not maximize transportation electrification outcomes or emissions reductions across all service territories. In some circumstances, investments in charging infrastructure, public charging access, fleet electrification, or supporting grid improvements may provide greater long-term transportation benefits than direct incentive programs.

In addition, utility credit revenues are inherently dependent on CFP market conditions and credit prices, both of which may fluctuate over time. Prescriptive expenditure requirements may limit utilities' ability to adapt investment strategies in response to changing market conditions, evolving customer needs, and local transportation priorities.

For these reasons, WSPA encourages DEQ to maintain flexibility regarding utility spending requirements and to provide utilities with sufficient discretion to pursue transportation electrification investments that best serve their customers and communities while advancing the objectives of the CFP.

Use of Modeling and Real-World Feasibility

DEQ has indicated that future CFP targets and transportation electrification policies will be informed by updated modeling, including vehicle fleet projections, transportation-sector scenarios, and long-term compliance analyses.

WSPA supports DEQ's efforts to utilize updated modeling and recognizes the important role analytical tools can play in informing future policy decisions. However, modeling assumptions should remain grounded in realistic expectations regarding vehicle adoption rates, charging infrastructure deployment, fuel availability, consumer behavior, electricity demand growth, vehicle turnover rates, and regional fuel market dynamics.

Modeling should inform policy development, but it should not substitute for real-world market conditions. Scenario analysis should evaluate not only potential emissions outcomes, but also the implications of program design decisions for fuel availability, affordability, infrastructure development, and compliance feasibility.

As DEQ evaluates future compliance pathways, transparency regarding modeling inputs, assumptions, sensitivity analyses, and projected outcomes will be essential to ensuring stakeholders can meaningfully evaluate proposed program modifications. Stakeholders should have a meaningful opportunity to review and assess the assumptions underlying proposed policy changes before those assumptions are incorporated into regulatory requirements.

WSPA also encourages DEQ to continue providing stakeholders with early visibility into policy concepts, analytical methodologies, and draft regulatory language as proposals are refined throughout the RAC process. Early engagement improves the quality of stakeholder feedback and helps identify potential implementation challenges before regulatory requirements are finalized.

Energy Economy Ratio Methodology and Electricity Crediting

The most significant proposals discussed during the June RAC meeting involve modifications to electricity credit generation through revisions to the light-duty electric vehicle Energy Economy Ratio (EER) and the potential development of additional baseline crediting mechanisms.

According to DEQ's discussion materials, increasing the light-duty EER from 3.4 to 4.6 would increase electricity credit generation by more than thirty percent. DEQ has further indicated that, when combined with proposed baseline crediting concepts, electricity credit generation could increase by approximately fifty-five to eighty percent relative to current program treatment.

These proposals represent a substantial increase in the compliance value assigned to electricity within the CFP and warrant careful technical review before rule language is developed. Changes of this magnitude have the potential to materially affect credit generation, market dynamics, compliance strategies, and the relative compliance value assigned to competing fuel pathways.

Given the magnitude of the proposed increase, stakeholders should have confidence that any revisions are being driven by objective vehicle performance data rather than broader policy objectives related to transportation electrification adoption or future compliance needs. Technical program parameters should be updated because the underlying data support a revision, not because a higher value advances a preferred policy outcome.

WSPA recognizes that vehicle efficiency data evolve over time and that periodic review of technical assumptions may be appropriate. However, EER values should remain technical parameters intended to reflect actual vehicle performance characteristics rather than policy tools used to achieve preferred compliance outcomes. Maintaining stakeholder confidence in the CFP will require a transparent analytical process that clearly demonstrates how proposed revisions are supported by the underlying data and methodology.

Technical Transparency and Regulatory Consistency

Because EER values directly affect credit generation, compliance strategies, investment decisions, and CFP market dynamics, any proposed revisions should be supported by a robust technical record and a transparent analytical process.

Stakeholders would benefit from additional information regarding underlying assumptions, data treatment methodologies, sensitivity analyses, and the long-term implications associated with the proposed revisions. Providing sufficient technical documentation will help ensure stakeholders have a meaningful opportunity to evaluate the methodology and understand how alternative assumptions may influence the resulting outcomes.

More broadly, if DEQ elects to revisit longstanding technical assumptions that materially affect electricity credit generation, similar consideration should be given to other program methodologies where updated information, technological developments, or changing market conditions may warrant review. Applying a consistent analytical framework across fuel pathways is important to maintaining technology neutrality, program credibility, and stakeholder confidence.

Transparent and consistent application of technical methodologies will be particularly important as Oregon evaluates increasingly stringent CFP requirements and establishes a framework intended to guide compliance and investment decisions through 2040 and beyond.

Credit Market Stability and Regulatory Predictability

A stable and predictable credit market remains fundamental to the long-term success of the CFP. A sufficient and predictable supply of credits supports compliance, enables long-term investment, promotes participation from diverse fuel providers, and helps maintain fuel affordability for Oregon consumers.

Several proposals currently under consideration, including EER revisions, baseline crediting concepts, transportation electrification spending requirements, and future target-setting discussions, may individually appear limited in scope but could collectively influence credit supply, compliance strategies, investment decisions, and CFP market dynamics in significant ways.

WSPA encourages DEQ to evaluate both the individual and cumulative impacts associated with proposed program modifications. Understanding how these proposals interact will be critical to maintaining market stability, preserving compliance flexibility, and avoiding unintended consequences for fuel suppliers, credit generators, and consumers.

As Oregon develops a CFP framework intended to guide investment and compliance decisions through 2040 and beyond, maintaining regulatory predictability and transparency will become increasingly important. Providing stakeholders with sufficient information regarding the potential market implications of proposed changes will help support informed decision-making and maintain confidence in the long-term integrity of the program.

Conclusion

WSPA appreciates DEQ's continued engagement throughout the RAC process and the opportunity to provide comments on these important policy discussions.

As DEQ continues development of the CFP framework through 2040, we encourage the Department to preserve the principles that have historically contributed to the program's success: technology neutrality, compliance flexibility, market stability, regulatory predictability, transparency, and cost-effective lifecycle greenhouse gas reductions.

Maintaining a diverse portfolio of compliance pathways and supporting both near-term and long-term emissions reduction opportunities will be critical as Oregon evaluates increasingly stringent carbon intensity reduction requirements.

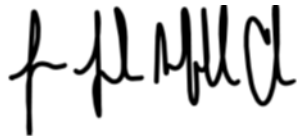
WSPA also encourages DEQ to ensure that transportation electrification policies, electricity crediting methodologies, and future program modifications are developed through transparent, objective, and technically robust processes that preserve stakeholder confidence and support durable program outcomes.

As DEQ evaluates the proposals currently under consideration, we encourage the Department to consider both their individual and cumulative impacts on credit generation, compliance strategies, investment decisions, and CFP market dynamics. Preserving market stability, regulatory predictability, and compliance flexibility will be essential to ensuring that Oregon's Clean Fuels Program continues to deliver durable, cost-effective emissions reductions while supporting

innovation and investment across the transportation fuel sector.

WSPA appreciates the opportunity to provide these comments and looks forward to continued engagement throughout the rulemaking process. Please do not hesitate to contact me directly at (360) 594-1415 or via email at amachado@wspa.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Felipe Machado". The signature is stylized with a large "F" and "M".

Cc: Jessica Spiegel - WSPA



June 25, 2026

Bill Peters
Clean Fuels Program Manager
Oregon Department of Environmental Quality

Re: Request for Input on Oregon Clean Fuels Program 2026 Rulemaking

Dear Mr. Peters,

SRECTrade, Inc. (dba Xpansiv Managed Solutions) appreciates the opportunity to provide comments on the Oregon Department of Environmental Quality's (DEQ) 2026 Clean Fuels Program rulemaking, including the concepts discussed during the June 10, 2026 Rulemaking Advisory Committee (RAC) meeting regarding transportation electrification, residential charging credits, Energy Economy Ratios (EER), and renewable electricity verification.

As a leading market participant supporting credit generation, tracking, and monetization across low carbon fuel programs, Xpansiv strongly supports DEQ's efforts to strengthen the Clean Fuels Program while maintaining clear, workable rules that accelerate transportation electrification and preserve market confidence.

Support for Updating the Light-Duty EV EER to 4.6

Xpansiv supports DEQ's proposal to update the Energy Economy Ratio for light-duty electric vehicles from 3.4 to 4.6. The June 10 RAC discussion indicated that DEQ's proposed value is based on Oregon vehicle registration and fuel economy data, reflecting the efficiency of vehicles operating in the state rather than relying on older assumptions.

Updating Oregon's light-duty EV EER would better recognize the efficiency of electricity as a transportation fuel and align the program with broader market and regulatory developments, including similar efforts under Washington's current Clean Fuel Standard rulemaking and the Canada Clean Fuel Regulations' 4.1 EER value.

Xpansiv supports DEQ's proposal to move forward with an updated light-duty EER now and encourages DEQ to continue evaluating available data for future medium- and heavy-duty EV EER updates.

Xpansiv urges DEQ to adopt these concepts with clear definitions, practical timelines, and streamlined reporting so participants can efficiently reinvest Clean Fuels Program value in projects that benefit Oregon customers and communities.

We appreciate the opportunity to engage in this process and welcome continued collaboration.

Sincerely,

A handwritten signature in black ink, appearing to read "Becca Teigen", written in a cursive style.

Becca Teigen
Director, Clean Transportation



Xpansiv Managed Solutions

About Xpansiv Managed Solutions

Xpansiv Managed Solutions (formerly SRECTrade) is one of the largest managers of environmental commodity programs in the United States. By simplifying participation in complex regulatory programs for homeowners, businesses, and installers, we make it easy for them to benefit from environmental markets, while accelerating the deployment of clean energy and clean transportation assets. With 2 GW of renewable energy assets on our platform and over \$1 billion distributed to customers and partners, Xpansiv Managed Solutions is renowned for our market expertise, broad geographic coverage, and superior customer service.

Xpansiv is the leading infrastructure provider for the energy transition markets. The company's comprehensive platform includes registries, online marketplaces, market execution services, wholesale power solutions, and market data for energy and environmental commodity markets. Xpansiv provides solutions that enable stakeholders to deliver transparent, credible, and auditable environmental claims to address the growing global demand for assurance and accountability on climate action and sustainability performance. We are trusted by over 125,000 customers and partners, from Fortune 500 companies and government agencies to project developers and homeowners.