

Clean Fuels Program 2026-2027 Rulemaking

Public Comments, Listening Session
December 17, 2025



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January 9, 2026

Bill Peters
Oregon Department of Environmental Quality (DEQ)
700 NE Multnomah Street, Suite 600
Portland, OR 97232
Submitted electronically via OregonCleanFuels@deq.oregon.gov

RE: 3Degrees Group, Inc.'s Listening Session Feedback to DEQ

Dear Bill Peters and CFP team,

3Degrees Group, Inc. ("3Degrees") appreciates this opportunity to provide feedback on potential revisions to the Clean Fuels Program ("CFP"). The following comments are in response to questions posed during the Listening Session hosted by the Department of Environmental Quality ("DEQ") on December 17, 2025.

—
Alignment with other Clean Fuel Standard Jurisdictions

3Degrees appreciates the efforts of the Clean Fuel Programs of OR, CA, and WA to maintain programmatic alignment through the last several rounds of regulatory updates, which has been supportive for participants operating in multiple states. The area where the CFP differs most from neighboring jurisdictions is the lack of capacity crediting for electric and hydrogen fueling infrastructure, due to the legislation governing the OR program. Although the exact capacity crediting mechanism from CA and WA cannot be replicated in OR, we suggest that this rulemaking prioritize and fully explore alternative mechanisms to fill the gap of incentives for infrastructure buildout, which is a key barrier for electrification in the state.

Considerations for Modeling

3Degrees fully supports the efforts to update the modeling that underpins the CFP, and to use these science-based projections to set ambitious CI reduction targets that align with, or exceed, the recently announced 2040 goals. In formulating a new Oregon-specific modelling framework, we offer several suggestions based on our own experience modeling these markets. The last several years of data from OR, WA, CA, BC, and the Canadian CFR program have made it clear that the North American CFS programs are highly interconnected, particularly through biofuels supply chains. Developments in the production capacity and movement of renewable diesel have had cross-jurisdictional impacts. In 2025, additional factors influenced the biofuels market, including: changes in US-China and US-Canada trade, the changeover from a federal Blender's Tax Credit to a Clean Fuel Production Credit (45Z), the ongoing uncertainty regarding federal Renewable Volume Obligations, the institution of Canadian biofuel production requirements in Ontario and BC, and the announcement of Canadian biodiesel and renewable diesel subsidies. These developments create an increasingly complex picture for the movement of biofuels across CFS jurisdictions, which can have cascading effects on other elements of CFS programs. We urge

the modeling team to take a thorough look at trends such as these across North America when building a projection for Oregon's market.

Program Extension Timeframes

3Degrees strongly supports the extension of the CFP through 2040 and believes that further extending the program to 2045 would provide some planning value, and more importantly a strong policy signal. Amidst great uncertainty regarding the future of many transportation and electrification related incentives at the federal level, continued long term policy support at the state level will provide assurance for projects that Oregon remains a committed and reliable government partner.

Provisions to Support Electrification

3Degrees encourages DEQ to investigate how existing program tools can be amended or expanded to incentivize greater infrastructure development. As noted in our comments above, OR lacks the authority to institute a capacity crediting tool such as that used successfully in WA and CA to incentivize infrastructure investment. Capacity crediting provides greater certainty to charging infrastructure project proponents, leading to more project completion and unlocking greater charging capacity across the state. This is currently a gap in the CFP. There may be unexplored mechanisms in the program, such as the advanced crediting provision, which can provide greater income certainty or ease the initial capital expenditure for program proponents, while ensuring that the program generates credits that represent real emissions reductions.

3Degrees encourages DEQ to fully consider such proposals.

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

Theresa Keith
Policy Manager, Regulatory Affairs
tkeith@3degreesinc.com

January 09, 2026

Bill Peters, Oregon Department of Environmental Quality (DEQ)
700 NE Multnomah St., Suite 600 Portland, OR 97232
Via Electronic Submission

Re: Oregon Clean Fuels Program (CFP) Future Policy and Rulemaking Recommendations

Dear Mr. Peters,

Thank you for the opportunity to provide comments on the implementation and future design of Oregon's Clean Fuels Program (CFP). The American Soybean Association (ASA) supports the CFP's goal of reducing transportation fuel carbon intensity through a technology-neutral, market-based approach that delivers real greenhouse gas (GHG) reductions while maintaining fuel affordability, reliability, and supply diversity from farm to fuel tank and everywhere in between.

ASA represents approximately 500,000 U.S. soybean farmers on domestic and international policy issues important to the soybean industry and has 26 affiliated state associations representing 30 soybean-producing states. U.S. soybean growers have long been committed to producing the world's food, feed, fuel, and thousands of bioproducts in a sustainable and climate-smart way.

Soybean oil-based biodiesel and renewable diesel (biomass-based diesel) are proven, scalable clean fuel solutions that play a critical role in meeting these objectives. As domestically produced fuels, soy-based biofuels strengthen U.S. energy security, support farmers and rural economies, and deliver meaningful lifecycle GHG reductions today.

Climate Performance of Soy-Based Biofuels

Soy-based biodiesel and renewable diesel consistently demonstrate significant lifecycle GHG reductions compared to petroleum diesel when evaluated using Argonne National Laboratory's GREET model. These fuels are already contributing to emissions reductions across the transportation sector without requiring new vehicle technologies or infrastructure investments.

Modern agricultural data also show that U.S. soybean production has achieved substantial yield gains on stable or declining cropland through improved genetics, precision agriculture, and climate-smart farming practices. Updated lifecycle analysis demonstrates that increased soybean oil use for clean fuels is met primarily through productivity gains and cropland-pasture transitions, not deforestation or ecosystem conversion. Oregon's CFP should ensure that carbon intensity values reflect these real-world conditions using the most current science and data.

Avoiding Structural Pitfalls Observed in Other Programs

As Oregon continues to refine the CFP, program design should avoid mechanisms that have been proven to distort markets and undermine climate goals elsewhere.

First, reliance on outdated or static indirect land use change (ILUC) assumptions risks overstating emissions impacts and mischaracterizing modern U.S. agriculture. Oregon should commit to periodic updates to lifecycle modeling that reflect current land-use data, yield trends, and peer-reviewed science.

Second, feedstock caps or discriminatory limits on crop-based fuels undermine technology neutrality and restrict fuel supply without delivering additional climate benefits. Clean fuels programs function best when fuels compete based on verified carbon performance. Additionally, prioritization of domestic feedstock over imports will set the program up for sustained growth and success in meeting Oregon's climate ambitions while rewarding soybean farmers for their climate resilience.

Third, burdensome traceability or reporting requirements imposed at the farm level create unnecessary compliance costs, raise data privacy concerns, and discourage farmer participation. Oregon should preserve upstream flexibility by allowing aggregated data and pathway-based approaches while protecting farmer data ownership and confidentiality.

Supporting Farmers While Advancing Climate Goals

Oregon's Clean Fuels Program can serve as a national model by pairing ambitious emissions reductions with practical, science-based implementation. This includes maintaining technology neutrality, utilizing GREET-based lifecycle analysis, allowing custom fuel pathways based on actual operational data, and ensuring strong data protections for agricultural producers. U.S. soybean farmers want to remain active partners in climate solutions. Clean fuel policies are most effective when they recognize farmers as contributors to emissions reductions rather than sources of risk.

Conclusion/Pathway Forward

Soy-based biodiesel and renewable diesel are proven, scalable solutions that align with Oregon's climate and clean energy goals while supporting domestic agriculture and energy security. By grounding the Clean Fuels Program in current science, avoiding discriminatory design features, and preserving a market-based framework, Oregon can accelerate decarbonization without repeating costly policy missteps.

Recognizing the role of American agriculture in decarbonizing transportation fuels offers a pathway that balances environmental integrity with economic opportunity. With thoughtful implementation, Oregon can lead the way in promoting clean fuels while supporting domestic farmers and the rest of the value chain. We appreciate DEQ's leadership and look forward to continued engagement as the Clean Fuels Program evolves.

Sincerely,

A handwritten signature in dark ink, reading "Scott Metzger". The signature is fluid and cursive, with the first name "Scott" and last name "Metzger" clearly legible.

Scott Metzger, President
American Soybean Association

HERBOLSHEIMER Courtney * DEQ

From: Elzinga, Thomas <telzinga@cec.coop>
Sent: Thursday, January 8, 2026 4:45 PM
To: OregonCleanFuels * DEQ
Subject: Listening Session Feedback

Clean Fuels Program team,

Here are some comments based on the presentation given about the beginning of revising some program rules:

1. Continue to allow consumer-owned utilities (COU) to direct the proceeds of residential-based CFP ZEV credits, received bi-annually. Any loss of the quantity of the credits can have significant impacts on local programs and projects. By allowing consumer-owned utilities to manage these funds we can focus on the programs that make sense for the communities we serve. Being member-governed we are directed in how funding should be allocated for the benefit of all, locally. This is especially important in the rural areas we serve as needs and programs tend to differ from more urban areas. COUs, as non-profit organizations, can spend these funds on programs and infrastructure not to increase our profit but rather promote cleaner transportation and provide education on these newer technologies.
2. Limited reporting and a lack of stringent spending requirements have helped the members of our cooperative and community benefit from CFP funding, allowing the cooperative to innovate with various types of ZEV programs to meet local needs. It has also allowed funding to be spent as the local community desires rather than be dictated, by the state or others, on how it must be spent in our local community. Onerous restrictions applied to these funds could detrimentally impact COU participation in promoting ZEVs and hamper education.
3. We would welcome an easy mechanism to utilize CFP funding to increase renewable energy generation, preferably through RECs certified by WREGIS, to increase credit generation above that of our utility-specific grid mix. Currently we use CFP funds exclusively to directly promote ZEVs, but having an understanding from the state that we could use a portion of the proceeds to fund low-income incentives for on-site renewable generation or utility-scale community solar projects would be desirable. Any RECs generated from these systems would then help further increase the renewable generation of our fuel mix and thereby increase ZEV credit production. We support that the RECs must be generated within the jurisdictions of those we are trying to mirror, or partner with, such as Washington, but would also support using RECs solely generated within the state of Oregon.

Best,

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January 6, 2026

Mr. Bill Peters
Clean Fuels Program Lead
700 NE Multnomah Street
Suite 600
Portland, OR 97232

Re: Listening Session Feedback

Submitted electronically: OregonCleanFuels@deq.oregon.gov

Mr. Peters,

The Clean Fuels Alliance America (Clean Fuels) appreciates the opportunity to provide written comments on the upcoming rulemaking to implement Executive Order 25-29. Clean Fuels is the U.S. trade association representing the entire supply chain for biodiesel, renewable diesel, sustainable aviation fuel, and Bioheat® fuel for thermal space heating. Our membership includes over 100 farmers, producers, marketers, distributors, and technology providers, and many are members of environmental organizations supportive of state and local initiatives to achieve a sustainable energy future.

Clean Fuels appreciates your convening of the listening session to get initial feedback from stakeholders prior to launching the formal rulemaking process. Clean Fuels strongly supports the Clean Fuels Program's (CFP) leading role in decarbonizing Oregon's transportation fuels and applaud its success over the first 10 years of the program. In that time, over 1 billion gallons of biodiesel and renewable diesel have been delivered to Oregon, resulting in over 7.5 million metric tons of GHGs reduced which is equivalent to taking 1.6 million cars off the road for a year. Our fuels are responsible for over 36% of all credits generated in the CFP.

Clean Fuels has previously been appointed to numerous rulemaking advisory committees and respectfully requests to be appointed to this one as well. As the leading trade association for biomass-based diesel, we are well-positioned to provide expertise in this upcoming effort and we look forward to continuing to work with the CFP moving into the future.

With respect to the upcoming rulemaking, Clean Fuels has the following comments:

Establishing Longer-term Targets

Clean Fuels appreciates the bold ambition of Governor Kotek in directing the CFP to achieve at least 50% average carbon intensity reductions by 2040. This will allow Oregon to align its climate ambitions with those of California and Washington who advanced their respective clean fuels programs in 2025. The additional direction by Governor Kotek to

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evaluate the scope and stringency of these neighboring states will ensure that Oregon remain competitive in the West Coast market.

Underlying fuel supply and demand analysis

Clean Fuels also appreciates the opportunity to hear from UC Davis regarding their role in helping DEQ to analyze Oregon's future fleet and fuel demand both individually and regionally. This comes at a pivotal point in history where the demand for zero emission vehicles has been significantly impacted by the removal of: 1) federal waivers of California's regulations, and 2) incentives for both electric vehicle and charging infrastructure investments by the federal government. These two huge policy shifts are sure to alter previous analyses regarding the demand for low carbon liquid fuels in both the short- and long-term, making this new analysis critical.

Clean Fuels acknowledges the close partnership that DEQ has with UC Davis in prior analysis and hopes that this new endeavor will build on that meaningful work. Since this is the first time that UC Davis will be using their Fuel Portfolio Scenario Model (FPSM) in Oregon, Clean Fuels requests that UC Davis provide: 1) a detailed description of the FPSM as it will be used in Oregon; and 2) any data underlying the development of compliance scenarios in order to maximize transparency to the stakeholders. The CFP has always prioritized science-based decision making in the past and hopes that it will continue in the future.

Modifying Near-term Targets

With this updated analysis, Clean Fuels anticipates that the targets for 2027 and beyond may also change. It will be important for stakeholders to understand how the changes in the annual targets were impacted by the new analysis on a year-by-year basis and not only in the "out" years of 2035 and 2040.

Additional Provisions

While not explicitly included in the current proposed scope of this rulemaking, Clean Fuels requests clarification as to whether any of the new provisions in California's Low Carbon Fuel Standards program are being considered in Oregon.

Also, as requested, these are Clean Fuels' responses to your prompting questions:

- **Are those still the right priorities for target setting?** I think an important additional consideration should be affordability to the fuel consumer. With the continuing rise in costs throughout the economy, the economic impact of a regulation needs to be more mindful of those costs.
- **Is that ranking still correct?** For Clean Fuels, our ranking would be 1) GHG reductions, 2) achieve short-term emissions reductions from the existing fleet through the greater use of biofuels, 3) affordability, 4) health benefits to local communities from reduced tailpipe emissions, 5) commercialize fuels & vehicles that will lead to deep decarbonization, and 6) investment in fueling infrastructure.
- **If the answer is no to either of the above, what has changed in the intervening years that affects your answer?** The change in federal policy has had a deep impact on state policy,

namely abandoning multiple incentives promoting electric vehicles and infrastructure. This will delay the transition from combustion engines to zero emission technologies and prolong the need for low carbon liquid fuels.

- **Where we are out of alignment with the other neighboring LCFS jurisdictions?** The most notable misalignment in policy is the absence of an economy-wide cap-and-trade program. Without this, Oregon cannot compete for the low carbon liquid fuels that are needed in the short- and mid-term. And while the Climate Protection Program provides similar policy support in Oregon, the lack of ability to link to those other programs will hurt Oregon's chances to play on the same field.
- **Is there good cause to consider adjustments to the existing standards prior to 2035?** Clean Fuels believes updating targets for 2027 through 2035 should be considered because California and Washington just updated theirs. While it is virtually impossible to forecast credit prices for each program through 2035, it is imperative that Oregon consider the competition amongst the 3 west coast states while establishing their targets.
- **What should we consider as we conduct this modeling?** See above.
- **What else does DEQ need to keep in mind as we consider how to set post-2035 standards? Is there a planning value in going out to 2045 like the California program recently has?** It is most important that the 2040 standard extend beyond that year to provide certainty that the regulation will continue to exist. However, forecasting beyond 2035 is tricky in that many things can change in that timeframe which would significantly change the outcome. It would be most helpful to commit to periodic reviews to determine whether changes are needed to the targets and other provisions as the program progresses.

Thank you again for the opportunity to submit written comments at this time. Please feel free to contact me at cwind@cleanfuels.org if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Cory-Ann Wind". The script is cursive and fluid, with the first name "Cory" and last name "Wind" clearly legible.

Director of State Regulatory Affairs
Clean Fuels Alliance America



January 9, 2026

Oregon Department of Environmental Quality
Clean Fuels Program and Greenhouse Gas Reporting Program
700 NE Multnomah Street
Portland Oregon, 97232

Re: Oregon Clean Fuels Program 2026-27 Rulemaking Kickoff Listening Session

Dear Oregon Department of Environmental Quality:

On behalf of Clean Energy, I would like to provide feedback to the recent listening session as the Clean Fuels Program (Program) update process begins. Consistent with principles and adopted regulations in other states, the final language should be committed to a fuel neutral approach using the best scientific data to measure greenhouse gas emissions performance to ensure the cleanest fuels are used in Oregon.

Clean Energy was an original supporter of the Oregon bill which adopted the clean fuel standard and was engaged in the earlier rulemaking process. As North America's largest provider of renewable natural gas (RNG) transportation fuel with over twenty-nine years of leading industry experience, Clean Energy provides construction, operation and maintenance services for refueling stations nationwide. We have a deep understanding of the growing marketplace, as our portfolio includes over 600 stations in 43 states and Canada.

The success of the Program is due to ambitious state goals and targets, backed by science-based, fuel neutral policies, along with a broad portfolio of clean fuel stakeholders working together to decarbonize Oregon's transportation sector. Remaining true to these core concepts will ensure Oregon is a leader in rapid transportation sector decarbonization. It is important to maximize carbon reductions and credit prices, and foster expanded low carbon investments, without creating any impediments, market uncertainty, or investment risk.

The concentration of methane in the atmosphere is increasing at an alarming rate.¹ There is no more effective and immediate step we can be taking as a planet to address climate change now than to aggressively and rapidly reverse emissions of fugitive methane from all sectors, including society's organic waste streams through renewable natural gas (RNG) projects.

¹ See "Increase in atmospheric methane set another record during 2021", National Oceanic and Atmospheric Administration, Press Release, April 7, 2022. <http://noaa.gov/news-release/increase-in-atmospheric-methane-setanother-record-during-2021>

The simple fact is that many RNG projects in planning and construction across North America currently rely on clean fuel standard revenues to be built and operated. In California, for example, it took almost a decade of Low Carbon Fuel Standard (LCFS) credits being awarded to RNG projects, clear recognition of the methane reduction benefits across a variety of feedstocks, and consistent positive statements from CARB leaders before investors began to seriously rely on this program to construct RNG projects. Any egregious deviations to this proven framework would undermine efforts to convince investors to make long-term capital deployment decisions based on program credit value.

Executive Order 25-29, in part, orders DEQ to “Evaluate the scope and stringency of the LCFS programs in neighboring states and propose new targets and rule revisions as needed to better align the Oregon CFP with neighboring jurisdictions.” We support the most stringent standard as possible, considering the EO ordered the establishment of new carbon intensity reduction targets of at least 50% by 2040. However, as various concepts are now being considered, we want to emphasize our support for the major elements of Avoided Methane Crediting and Book-and-Claim:

Avoided Methane Crediting (AMC): Most dairy projects require long-term agreements with farmers and front-end manure management programs/infrastructure projects to be built at the dairy. AMC for the duration of a project is essential to all of this and ensures certainty in the project and rate of return, which could take years to return a profit.

Book-and-Claim: This successfully contributes to reduced amounts of carbon and avoided methane emissions, and is the preferred method for delivering RNG in North American clean fuel programs, including EPA’s Renewable Fuel Standard,² the Canadian Clean Fuel Regulation, the California Low Carbon Fuel Standard, the Oregon Clean Fuels Program, and the Washington Clean Fuels Program, as well as for electricity and hydrogen projects. Gas utility procurement programs for RNG also primarily use similar concepts, and Europe’s Renewable Energy Directive requires Book-and-Claim for successful RNG project buildout in the European Union.

These projects have been viable in part because of the ability to utilize incentives from both the federal level (Renewable Identification Numbers under the Renewable Fuel Standard Program) and that from the state level. These projects need to pencil out and provide an acceptable rate of return for investors or the projects will not be built.

Please allow avoided methane crediting for the entire duration that a project delivers methane reductions, and please do not restrict or eliminate Book-and-Claim.

Thank you for considering our comments. We urge DEQ to adopt an update which provides compliance flexibility to producers of high carbon intensity transportation fuels to either invest in low carbon alternative fuels or to purchase credits from low carbon fuel producers. The Program is successful if it fosters technological innovation, supports a robust market for alternative fuels, provides long-term investment certainty and stimulates job creation and investment.

Sincerely,

² <https://www.biocycle.net/biogas-rng-projects/>

A handwritten signature in blue ink, appearing to read "Ryan Kenny". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Ryan Kenny
Policy Director – Western U.S.
Clean Energy

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January 16, 2026

Bill Peters
Oregon Clean Fuels Program Manager
Oregon Department of Environmental Quality
800 NE Oregon Street
Portland, OR 97232
Comment Submitted via email to:

RE: Feedback for 2026-27 Rulemaking Kickoff Listening Session

Dear Mr. Peters,

CleanFuture appreciates the opportunity to give feedback to the Department of Environmental Quality's (DEQ) listening session regarding the 2026-2027 Clean Fuel Program (CFP) rulemaking. CleanFuture, Inc. is a leading environmental company based in Oregon that has worked for over a decade to electrify and improve the efficiency of a wide range of vehicle fleets. CleanFuture has built a strong platform connecting clean vehicle fleet customers with low carbon fuels (electricity and other fuels), particularly zero and sub-zero CI fuels, serving both on the supply and demand side in multiple programs and jurisdictions. CleanFuture has developed multiple innovative pathways including biogas to electricity CFP pathways, and is a CFP service provider to dozens of credit-generating fleets. Due to this experience, CleanFuture has extensive knowledge regarding the practical application of the CFP program. This comment is informed by that real-world knowledge and experience regarding program implementation.

DEQ asked a series of questions during the listening session. This comment addresses the questions of primary importance to CleanFuture and CleanFuture's clients who participate actively in the OR CFP primarily through credit generation.

As for rulemaking priorities, CleanFuture supports the priorities established by the 2022 Rulemaking Advisory Committee (RAC) as ranked in slide 21. CleanFuture would like to provide feedback regarding these additional questions.

- ***What else does DEQ need to keep in mind as we consider how to set post-2035 standards? Is there a planning value in going out to 2045 like the California program recently did?***

CleanFuture strongly supports DEQ’s establishment of an Oregon CFP standard that extends to 2045. In CleanFuture’s experience, fleets make long-term decisions regarding electrification that factor in incentive policies only if the policies are clearly and firmly established. The central issue in the purchase decision is the relative total cost of acquisition, maintenance and operation of an electrified fleet as compared to a fleet powered by gasoline or diesel fuel. According to the Oregon Medium and Heavy-Duty Vehicle Fleet Reporting Data Summary prepared by DEQ in September 2025, “The majority of vehicles are kept between 5 to 20 years, providing a clear planning horizon for vehicle replacement programs and incentives.”¹ Given this potential 20-year time horizon for use of a vehicle, DEQ should establish a 20-year time horizon for the CFP program so that the fleet buyer can rely on the value of the policy for the entire period rather than half of it.

- ***Are there existing program provisions that could be modified to better support electricity? (slide 31)***

CleanFuture recommends that DEQ allow crediting for private commercial fleets operated by individual companies for their own use that are charged at residential addresses (take-home fleets). According to a recent National Private Truck Council benchmarking survey:

- Private carriers haul 75% of their companies’ outbound products.
- Private carriers haul 43% of their companies’ inbound freight.
- Growth is expected to continue in the next five years.²

This growing sector provides substantial new opportunities for electrification that will best be realized if CFP eligibility is established for take home fleets where the fleet owner directly benefits from the CFP. Electricity reported for take home fleets can be deducted from residential EV charging within the applicable utility service area.

- ***Are RECs still the best method for tying renewable electricity to charging? (slide 39)***

Renewable Energy Certificates (RECs) are the best method for tracking renewable electricity as RECs represent the environmental attributes - including the emissions - associated with one megawatt-hour of renewable electricity. RECs are used across the country in Renewable Portfolio Standards (RPSs), emissions reporting by utilities and other electricity suppliers,

¹ Oregon Department of Environmental Quality, “Oregon Medium and Heavy-Duty Vehicle Fleet Reporting Data Summary,” (September 2025), available at <https://www.oregon.gov/deq/aq/Documents/zevMHDfleetReport.pdf>

² National Private Truck Council, “Private Fleets Eye More Growth,” (September 2025), available at <https://www.nptc.org/gary-column/private-fleets-eye-more-growth/>.

voluntary green power programs, and consumer emissions-reporting standards. Since carbon-free or renewable electricity cannot be physically directed to specific users and its delivery cannot be verified physically, RECs are the standard and necessary tool for tracking renewable electricity and its emissions benefits to customers on the power grid.

CleanFuture's purchase agreements for RECs for use in Oregon's CFP include RECs and all environmental attributes, so if any duplicate claims were made then that would breach the contracts between CleanFuture and respective generators. CleanFuture takes possession of RECs and retires RECs in WREGIS for CFP use, and provides supporting documentation of REC retirement with each quarterly fuel transaction report (QFTR). This robust process is accepted by clean fuel standards in California and Washington, and with New Mexico's soon to launch clean fuels program.

- ***Are there other standards that make sense here?***

No, RECs are universally used across the country for tracking the generation and sale of renewable electricity and its environmental attributes.

- ***What is the best way to ensure the environmental integrity of renewable electricity claims in the program?***

CleanFuture is aware of concerns regarding double-counting of RECs based on the determination that HB 2021 does not necessitate the retirement of RECs. This determination failed to recognize the value of continuing to follow the tried-and-true REC principle of proper REC assignment and retirement. This HB 2021 mistake should be rectified either by:

- DEQ amending the Oregon Greenhouse Gas Reporting program under OAR chapter 340, division 215 and under OAR chapter 340, division 273 to require RECs to be used for tracking HB 2021 compliance if DEQ has authority to make these amendments, or,
- Passage of new legislation to amend HB 2021 to explicitly require REC retirement.

It is CleanFuture's strong recommendation that DEQ not attempt to fix or compensate for the shortfalls of HB 2021 within the Clean Fuel Program rules. RECs are the most established and recognized environmental attribute in the energy sector on a state and federal level. The current regime of REC retirements ensures the environmental integrity of renewable electricity claims in the CFP. Reporting entities submit documentation of REC retirement with quarterly reporting, just as in clean fuels programs in California, Washington, and New Mexico. DEQ should fix the HB 2021 mistake by amending Oregon's Greenhouse Gas Reporting rules, or if necessary, the Legislature should amend HB 2021 via new legislation explicitly requiring REC retirement.

Requiring Green-e RECs is unnecessary and excessively burdensome.

DEQ should remove the need for Green-e RECs from the CFP rules and make revisions to the CFP regulations to ensure that REC retirements are sufficient by placing establishing robust

parameters within the existing verification process. The annual Green-e audit is redundant with the CFP requirement of third-party verification of electricity transactions confirming that REC amounts have been retired and match quarterly fuel transaction reports (QFTR) of low carbon intensity energy kilowatt hours.

It has been asserted that the Green-e audit is necessary to reduce the burden to DEQ staff of checking REC retirements. However, other states with clean fuel standards have found it manageable to rely upon staff to confirm adequate and accurate REC retirements. This review is done in California pursuant to the Low Carbon Fuel Standard and in Washington pursuant to the Clean Fuel Standard. New Mexico's proposed Clean Transportation Fuel Program regulation that is anticipated to be approved shortly will also implement this approach.

The necessary functionality for oversight has been fully integrated into WREGIS by utilizing the "Programs" module which screens RECs according to a program administrator's parameters. This ensures that the eligibility of technology, vintage, and location of each REC are automatically pre-screened before REC retirement. Confirming that the quantity of RECs matches with the respective fuel pathway code in the QFTRs can be effectively reviewed during third-party verification.

REC retirement verification should be incorporated into third-party verification of QFTR. DEQ could accept REC verification on the select few reporting entities subject to third-party verification who are above the 6,000 annual credit generation threshold, which would verify ~80% of REC retirements. Or if DEQ is concerned about small entity reporting integrity for electricity transactions then CFP rules should be aligned with the LCFS approach whereby all electricity reported in QFTRs must be verified. In California's LCFS the third-party verification of electricity could be deferred for smaller reporting entities, yet deferrals are only temporary and ultimately the QFTRs must be verified on all reporting entities. Oregon should align with California for consistent verification of all electricity transactions and should require third-party verification by all entities.

By integrating verification of REC retirements into the CFP's verification process, DEQ can outsource REC verification without burdening staff and without the added burden and cost of Green-e verifications in addition to verifications of the QFTRs.

Remove the requirement of voluntary standards in a state regulation

DEQ should remove all requirements for RECs to be certified to the Green-e® Renewable Energy Standard for Canada and the United States (Green-e Standard) as the Green-e Standard is intended for voluntary programs, not regulatory programs. The Green-e Standard is independent from and does not follow Oregon's public rulemaking process. Arbitrary changes could occur in the independent Green-e Standard which may contradict Oregon's policy or rules; yet state rules at OAR-253-0470(5)(a) require all RECs to be certified to the Green-e Standard. Outside of the CFP rulemaking process, CRS can make changes in the Green-e Standard that preclude certain

RECs from being certified to Green-e. This places a nonprofit in charge of certain aspects of the Oregon CFP and could render RECs non-compliant for CFP use which might result in credit adjustments. The outsourcing of REC rules to the non-transparent Green-e Standard is not aligned with CFP rules and is an inappropriate delegation of DEQ's authority.

For these reasons, DEQ should remove the requirement that Green-e certified RECs be used to demonstrate renewable electricity usage in electric vehicles for CFP reporting. REC retirements in WREGIS can be verified during third-party verification of quarterly fuel transaction reporting for all reporting entities.

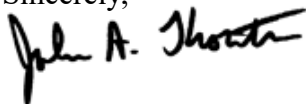
- *Should we be concerned if RECs where the underlying power is consumed in Oregon are also matched to charging in the same service territory? Or in another utility's service territory?*

DEQ should be consistent with Oregon renewable portfolio standard (RPS) to allow RECs originated from generating equipment within the Western Electric Coordinating Council (WECC). CleanFuture does not perceive that there is any environmental benefit to matching RECs with service territories.

Conclusion

CleanFuture commends DEQ on the success of the CFP of incentivizing the adoption of low carbon fuels and technologies and catalyzing transportation electrification. Thank you for your consideration of these comments. Please advise if any further input on these issues would be constructive.

Sincerely,



John A. Thornton, President

CleanFuture, Inc.

January 9, 2026

Submitted to: Oregon DEQ Clean Fuels Program Team

Re: Clean Fuels Program 2026–27 Rulemaking – Listening Session Feedback

Dear DEQ Clean Fuels Program Team,

Thank you for convening early listening sessions and inviting input ahead of DEQ's 2025–27 Clean Fuels Program (CFP) rulemaking. We write to support strengthening CFP carbon intensity (CI) reduction targets and adopting program updates that help Oregon meet its climate and air-quality obligations while accelerating equitable transportation electrification.

This rulemaking is happening in a moment of unusually high federal uncertainty. Recent federal proposals and actions—including efforts to unwind core Clean Air Act climate authorities (e.g., rescinding the endangerment finding) and to disrupt major transportation electrification investments—create real risk of delayed emissions reductions, higher costs, and less market certainty. In that environment, Oregon's CFP is even more important as a durable, state-level market signal that can keep clean investment moving and protect Oregonians from fossil fuel price volatility.

Governor Kotek's Executive Order 25-29 establishes a coordinated statewide approach to reduce greenhouse gas emissions and advance the least-cost pathways identified in the Oregon Energy Strategy. EO 25-29 directs DEQ to establish new CI reduction targets of at least 50% by 2040 and to propose accompanying amendments that accelerate transportation electrification in a cost-effective and equitable manner. The EO further directs DEQ and the Public Utility Commission (PUC) to work together to ensure that CFP revenues collected by utilities are strategically invested in high-priority transportation electrification projects, prioritizing underserved or unserved communities and facilities, including multifamily housing and areas without commercial EV charging.

1) Standards and target-setting: strengthen ambition and improve long-term certainty

We support DEQ using the established target-setting priorities (as reflected in prior program discussions): greenhouse gas reductions; commercialization of fuels/vehicles needed for deep decarbonization; investments in alternative fueling infrastructure; local health benefits from lower tailpipe emissions; and near-term emissions reductions from the existing fleet. We support the existing ranking of these priorities and are open to refinements based on updated evidence and modeling.

We also believe there is strong cause to consider adjustments to the existing standards prior to 2035. Federal rollbacks and uncertainty can slow EV adoption and delay pollution reductions; meanwhile, the clean fuels and electrification landscape is evolving quickly. Aligning Oregon's

CFP more closely with neighboring jurisdictions—and sending clear, stable signals to the market—will help unlock investment during this decisive decade.

As DEQ conducts modeling, we request that DEQ:

- **Evaluate CI trajectories and program design options through an equity lens**, including how different CI pathways affect reinvestment potential and benefits delivered in priority communities.
- **Provide longer-term certainty** by establishing post-2035 standards, including assessing the planning value of extending targets out to **2045** to align with peer jurisdictions and support strategic investment decisions.
- **Explore mutually supportive regional approaches** (e.g., shared market-building and information hubs across clean fuel programs), while maintaining Oregon’s program integrity and strong safeguards against double counting.

2) Electrification: make the CFP’s strongest pathway easier, more equitable, and more investable

Low-carbon liquid fuels will remain important in parts of the market, but electrification is uniquely scalable over time, reduces both climate pollution and tailpipe emissions, and can deliver meaningful consumer savings when charging is accessible and affordable. Liquid fuels are also complicated by global fossil fuel markets, and recent events in Venezuela underscore how electrification as a pathway can help insulate Oregon from global disruptions. As targets become more ambitious, electricity credit generation will need to grow—especially in high-mileage and high-diesel-use applications like transit, school buses, delivery fleets, and (where feasible) freight.

Given ongoing federal incentive uncertainty, Oregon should use this rulemaking—and aligned state tools—to help maintain momentum by pairing CFP-aligned investments with **robust upfront purchase incentives** and **utility rate structures that keep home charging affordable**.

To maximize climate, clean air, and affordability outcomes, we recommend DEQ plan for:

- **A clear expectation that electricity credits will comprise an increasing share of compliance over time**, with practical interim milestones or checkpoints.
- **Lower administrative barriers without weakening integrity**, so fleets, charging providers, and utilities can generate credits in consistent, auditable ways—including streamlining participation for smaller operators.
- **More targeted crediting and incentives where adoption barriers are highest**, including exploring whether electricity credits should be restructured (including higher value) to better support charging and vehicle programs in underserved communities and multifamily settings.

- **Mechanisms that reward charging when renewable generation is high**, aligning transportation electrification with grid decarbonization and reliability goals.

Strategic investment priorities we encourage DEQ to lift up in this rulemaking include: public transit electrification, micromobility, medium- and heavy-duty charging corridors and depots, workforce development, and charging in multi-unit dwellings and underserved communities.

3) Reinvestment and accountability: codify the EO's direction on using CFP proceeds

EO 25-29 is explicit that utility CFP revenues should be strategically invested to advance equitable transportation electrification, with PUC oversight through utility transportation electrification plans. This rulemaking is the right venue for DEQ and EQC to reinforce that direction with clear, enforceable accountability.

We recommend DEQ propose rule amendments that:

- **Require major electricity credit generators/holders (including utilities and aggregators, as applicable) to publicly report how CFP net revenues are invested**, using a standardized format tied to measurable outcomes (e.g., chargers deployed, vehicles supported, electric miles enabled, diesel gallons displaced, and benefits delivered in priority communities).
- **Establish a priority investment framework** for electricity-credit proceeds consistent with EO 25-29 and utility transportation electrification plans—prioritizing underserved or unserved communities and facilities, including multifamily housing and areas without commercial EV charging.
- **Create guardrails so proceeds drive additional electrification outcomes**, rather than being absorbed into general budgets, with transparency that supports PUC review and public accountability.
- **Center equity explicitly**, including considering expectations that a meaningful share of proceeds support projects in disadvantaged areas, paired with community engagement and co-design so investments meet real mobility needs.

4) Renewable electricity integrity: keep crediting credible and regionally aligned

We appreciate DEQ's continued focus on the environmental integrity of renewable electricity claims under the CFP. We support continued use of RECs, provided the program prevents double counting and maintains credible CI accounting.

We recommend DEQ consider options such as:

- Exploring (or requiring, where feasible) **time-matched RECs** or equivalent instruments so renewable claims align with when charging occurs, not only annual matching.
- Establishing clear standards so renewable attributes are not claimed more than once and reflect credible accounting (e.g., one MWh generation to one MWh consumption; no more than one end use).
- Strengthening **third-party verification and auditing** to prevent double counting and preserve confidence in the program.

Conclusion

Stronger CI targets under the CFP will help protect Oregonians from fuel price volatility while driving climate and health benefits. Electrification is one of the most cost-effective ways to meet increasingly ambitious CI targets, and it delivers direct reductions in harmful tailpipe pollution—especially where diesel burdens are highest.

Thank you again for your work. We look forward to continued engagement as DEQ develops proposals and begins the formal rulemaking process.

Sincerely,

Brett Morgan
Climate Solutions

Stu Green
Forth

Mackenzie Springer
Neighbors for Clean Air

Appendix: Additional ideas DEQ could explore in the CFP rulemaking

These represent ideas we came up while brainstorming on the EO and RAC charge, and may be worth exploring in this RAC if time allows and preliminary research indicates an idea is legal and implementable.

A. Expand “upfront” (advanced) crediting for high-impact electrification

Consider piloting or expanding advanced crediting to help overcome high upfront vehicle/charger costs for priority applications (e.g., transit and school buses), with strong performance requirements and clawback provisions tied to verified deployment and operation.

B. Address the “charger utilization” barrier in priority gaps

Explore narrowly tailored mechanisms that support early charging build-out where utilization starts low but infrastructure is strategically necessary (e.g., rural communities, freight corridors, depot charging), so chargers can precede demand where markets will otherwise lag.

C. Codify stronger reinvestment expectations for electricity-credit proceeds

Further clarify eligible uses and reporting expectations so electricity credit proceeds reliably drive additional, equitable transportation electrification—especially in underserved communities—such as multifamily charging, community charging hubs, rural charging access, and high-impact diesel displacement.

D. Time-limited bonus structures for high-impact electric end uses

Evaluate short-term, targeted multipliers or bonus structures for electricity used in high-benefit, harder-to-deploy applications (e.g., MHD vehicles and transit), paired with equity guardrails and clear sunset dates.

E. Treat micromobility as a legitimate electrification strategy

Clarify how eligible micromobility fleets can generate credits (where appropriate) and how proceeds could support equitable micromobility programs that reduce short car trips and expand affordable mobility options.

F. Revisit exemptions or special pathway treatments that may slow the transition

Assess whether any exemptions or pathway treatments dampen transition incentives in ways that create avoidable emissions impacts—especially where electrification alternatives are emerging.



January 8, 2026

Oregon Department of Environmental Quality (DEQ)

700 NE Multnomah Street, Suite 600

Portland, OR 97232

Submitted Electronically

RE: COMMENTS OF CENTER FOR RESOURCE SOLUTIONS (CRS) ON OREGON DEQ'S CLEAN FUELS PROGRAM (CFP) REGARDING OFFSITE RENEWABLE ELECTRICITY AND RENEWABLE ENERGY CERTIFICATE (REC) ELIGIBILITY.

Dear DEQ Staff,

CRS appreciates the opportunity to comment on DEQ's Oregon clean fuels regarding the use of renewable electricity for EV charging and the eligibility of RECs used to support those claims. CRS administers the Green-e® Energy certification program for renewable electricity and RECs, which independently verifies renewable electricity transactions to support accurate and exclusive environmental claims and prevent double counting; accordingly, our comments focus on ensuring that CFP credits for "zero-emissions" electricity are supported by exclusive ownership and retirement of the associated environmental attributes—particularly in light of Oregon's evolving electricity policy framework under HB 2021—and we recommend that DEQ retain the requirement for Green-e® Energy certified RECs to ensure CFP credits reflect real and verifiable emissions reductions.

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 For more information, the 2025 (2024 Data) Green-e® Verification Report will be available here soon: <https://www.green-e.org/verification-reports>



RECs & Double Counting Risk Under HB 2021

In 2021, DEQ explained that requiring Green-e certified RECs would help ensure that RECs embody the full environmental attributes of renewable electricity and that emissions-reduction benefits are not double counted. This rationale remains valid, and in fact has become more important with the implementation of HB 2021. While HB 2021 sets aggressive emissions-reduction targets for electricity sold to Oregon customers, it does not require utilities to own and retire RECs for the renewable electricity they count toward those targets. As a result, the same megawatt-hour (MWh) of renewable generation can be reported toward HB 2021 targets while the associated REC is sold and used elsewhere—such as to demonstrate low-carbon electricity use for EV charging under the CFP.

If the CFP allows entities to use RECs without a robust verification framework that ensures exclusive claims, then CFP credits for “zero-emissions electricity” may not represent real or incremental emissions reductions. Rather, those credits may reflect attributes that are already being counted toward Oregon’s clean electricity targets, or are otherwise being claimed by another party. This creates a credibility risk for CFP credit integrity and for program outcomes.

Importance of Maintaining Green-e® Energy Certification

Green-e® Energy certification provides critical protections that go beyond simple REC tracking in WREGIS. While WREGIS is a registry system that enables tracking and retirement of RECs, it does not, by itself, establish claim rules or verify that RECs are not being used across programs in a way that leads to double counting. Green-e® Energy certification includes standardized eligibility requirements, contract review, verification of exclusive claims, and auditing to ensure that consumers and program participants can credibly claim the benefits associated with the renewable electricity they are using. Removing the Green-e requirement would not resolve the underlying double-counting risk created by HB 2021’s REC treatment. It would simply shift the burden of addressing that risk to DEQ. If DEQ removes the Green-e® Energy certification requirement but does not establish a comparably rigorous verification framework, then the CFP will be vulnerable to the same MWh supporting multiple emissions-related claims in Oregon and beyond.

Cost, Availability, and Local Sourcing Considerations

CRS recognizes that, due to Green-e® Energy Standard updates in response to HB 2021 implementation, eligible REC supply may be more constrained and REC prices may increase. CRS also recognizes that Green-e eligibility requirements may make it more difficult to rely on Oregon-specific REC supply if that generation is also being reported for HB 2021 purposes without associated REC retirement.

However, these constraints are not created as an arbitrary barrier. They are the consequence of HB 2021’s framework and the need to prevent double counting and preserve credible, incremental impact.



If DEQ removes the Green-e® requirement primarily to avoid sourcing challenges, reduce costs, or prioritize local Oregon RECs, then the CFP risks allowing the use of RECs that are simultaneously supporting HB 2021 reporting or other claims. That would undermine the integrity of CFP crediting and weaken the program's ability to demonstrate real emissions reductions.

If DEQ chooses to remove or revise the Green-e requirement, DEQ should clearly articulate and implement an alternative compliance pathway that ensures: (1) REC ownership and retirement for CFP claims, (2) robust protections against double counting relative to HB 2021 and other programs, and (3) verifiable exclusive claims for low-carbon electricity use.

Recommendation

We recommend that DEQ retain the requirement for Green-e certified RECs for demonstrating offsite renewable electricity use under the CFP. If DEQ nevertheless revises this requirement, DEQ should establish an alternative framework that achieves equivalent protections—specifically, that CFP crediting is based on exclusive claims supported by REC ownership and retirement, and that RECs used for CFP are not simultaneously supporting HB 2021 reporting or other state or voluntary claims.

Please feel free to reach out with any questions or requests for clarification.

Sincerely,
Lucas Grimes
Senior Manager, Policy
Center for Resource Solutions

HERBOLSHEIMER Courtney * DEQ

From: Kevin Maas <kevin@farmpower.com>
Sent: Friday, January 16, 2026 10:10 AM
To: HERBOLSHEIMER Courtney * DEQ
Cc: OregonCleanFuels * DEQ
Subject: Re: Belated Clean Fuels Listening Session Feedback?

Much appreciated, Courtney—I hope it's OK to just write our comments below; please let me know if I should put this in a PDF instead:

The tentative rulemaking scope includes reviewing “provisions to incent additional renewable generation”; DEQ’s previous decision allowing RECs helps incent additional generation, but requiring those RECs to be certified under the Green-e standard does not help. All of the West Coast states require most RECs used as clean fuels to be registered with WREGIS, and the pathways producing those RECs to be verified by a third-party verifier; however, only Oregon adds the additional layer of Green-e certification (Washington and California do not). Farm Power believes that Oregon should better align with these neighboring jurisdictions and eliminate the Green-e requirement.

Green-e may appear to provide extra rigor, but all it will do is prematurely cut out some generators of renewable energy. Farm Power has operated two anaerobic digesters in Tillamook County since 2012; both have been providing their RECs to the utilities buying their electricity. As our electricity-purchase contracts expire, we would like these digesters to participate in the Oregon Clean Fuel Program, which will help make up for much lower current wholesale electricity prices. However, Green-e refuses to certify any projects that are 15 years old or more, so neither of these digesters will be eligible to produce clean fuel after 2027. If these projects were in California, they would be allowed twenty years of participation! And Washington has established a sliding scale that would still grant older projects like these ten years of eligibility. Only Oregon and its unique use of Green-e cuts off project lifespans this early. Like California and Washington, Oregon should establish its own eligibility periods that maximize the value of its renewable generation, rather than ceding this power to Green-e. Farm Power recommends that the Green-e certification requirement should be eliminated as part of this rulemaking.

Kevin

Farm Power
360.770.9212 (mobile)

From: HERBOLSHEIMER Courtney * DEQ <Courtney.HERBOLSHEIMER@deq.oregon.gov>
Date: Tuesday, January 13, 2026 at 5:03 PM
To: Kevin Maas <kevin@farmpower.com>
Cc: OregonCleanFuels * DEQ <OregonCleanFuels@deq.oregon.gov>
Subject: RE: Belated Clean Fuels Listening Session Feedback?

Hi Kevin,

Thanks for reaching out on this. Yes, we can give you a few extra days since it's an informal comment period and we aren't yet fully underway. Once we get into the Rulemaking Advisory Committee process



January 9, 2026

VIA ELECTRONIC FILING

Bill Peters
Oregon Department of Environmental Quality (DEQ)
700 NE Multnomah Street, Suite 600
Portland, OR 97232

Re: Clean Fuels Program (CFP) 2026-2027 Rulemaking

Dear Mr. Peters:

Neste appreciates the opportunity to provide these comments on the proposed Clean Fuels Program (CFP) 2026-2027 Rulemaking materials published by DEQ on December 17, 2025. Neste is the world's largest producer of renewable diesel (RD) and sustainable aviation fuel (SAF), over 90% of which are produced from waste and residues. During the past 15 years, Neste's transformation journey has taken it from a local oil refiner to a global leader in renewable and circular solutions. Neste's goal is to supply Oregon with products that will enable the state to reach the climate goals outlined in Executive Order 25-29. We are in the business of combating climate change by producing effective climate solutions.

Neste would like to congratulate Oregon with the leadership it is showing via Executive Order 25-29. A goal of reducing the carbon intensity (CI) of fuels by at least 50% by 2040 has the potential to not only continue making Oregon competitive with nearby states/provinces but also make up for reduced investments in renewable energy at the federal level. California, Washington and British Columbia all recently strengthened and/or extended their low carbon fuel standards, and it is important that Oregon follows suit so it can continue attracting renewable energy. Many federal renewable energy incentives have also been eliminated and/or severely cut, and the proposed strengthening of the Oregon CFP could make up the difference to continue driving investments in renewable energy production.

The comments below are regarding materials provided by DEQ in the December 17, 2025 CFP Listening Session. We look forward to continuing to work with DEQ on this proposed rulemaking.

DEQ Should Continue to Prioritize Stable Renewable Diesel Supplies and Low Fuel Costs in Oregon

Neste shares the state's concerns that more needs to be done to stabilize fuel supplies in Oregon, in light of recent fossil fuel disruptions due to pipeline issues. Renewable diesel has greatly helped reduce the dependence on fossil diesel and has created many more supply options within the diesel market, all while being a drop-in solution. This was all possible due to the CFP following a technology neutral approach, an approach that delivers the lowest cost compliance options and also helps avoid energy disruptions by favoring technologies that can also deliver stable energy. As DEQ models how it should implement further CI reductions, it should closely evaluate the costs of each low-CI technology and their ability to provide stable and sufficient fuel supplies. California has consistently shown that heavily favoring certain technologies leads to higher costs and higher emissions¹ and DEQ should confirm if the same will occur in Oregon. It is important that DEQ confirm if Oregon consumers will be saddled with added compliance costs should DEQ decide to deviate from technology neutrality.

Proposed strengthening of the CFP program also provides an opportunity to stabilize incentives for renewable energy. As Oregon has seen, historically low CFP credits values in 2024 and 2025 resulted in a

¹ <https://ww2.arb.ca.gov/sites/default/files/2024-04/LCFS%20April%20Workshop%20Slides.pdf>, slide 31-32

pullback of biodiesel and renewable diesel in the first half of 2025, with fossil diesel being the clear beneficiary. After several years of stagnant low carbon fuel standard credit values in Oregon and California, combined with the more recent pullback in federal incentives, Oregon is experiencing the result of not acting sooner. The Oregon diesel pool peaked at 36% renewable (renewable diesel plus biodiesel) in 1st quarter 2024 and is now 13% renewable per 2nd quarter 2025 CFP data. This has led to higher air and GHG emissions in Oregon and a significant reduction in credit generation within the CFP program, resulting in substantial backtracking within Oregon's climate and environmental programs.

Neste is aware that the diesel pool is now becoming more renewable since CFP credit prices stabilized, however Oregon needs to urgently send the market signals to support continued investments in new low-carbon technologies and reverse the trend that has recently favored fossil fuels. This is why Neste recommends going beyond the 50% CI reduction for 2040, and to implement these lower CI reduction goals as soon as possible and not wait until 2035. DEQ should also consider extending the CFP through 2045 to match California and to send more long-term assurances to those investing in renewable energy today, especially to those that recently lost federal grants/tax incentives. It's therefore imperative that there are no delays in implementing these proposed CFP updates and send the market signals that will bolster lower-emission energy sources.

As part of the 2024/2025 rulemaking, DEQ also updated the fossil diesel baseline from 101.74 gCO₂/MJ to 104.92 gCO₂/MJ, a 3% CI increase that waters down the CFP CI reduction goals proposed back in the CFP Expansion 2022 rulemaking². Neste has estimated that this watering down of the diesel CI standard will result in more than 500,000 extra credits annually starting in 2025, further bolstering the need to reduce annual CI reduction goals as soon as possible and not wait until 2035.

The CFP Needs an Automatic Acceleration Mechanism (AAM):

From late 2022 through late 2024, CFP credit generation greatly outpaced deficit generation resulting in low CFP credit prices and the eventual pullback of renewable energy seen in early 2025. It is therefore important to address overperformance and that adjustments to the CI reduction targets are made through a predictable process and send credible, long-term signals to the market. Neste therefore recommends that DEQ incorporate an AAM into the CFP that will move up the CI standard by one year (and subsequent years) when triggered, resulting in a predictable impact on the longer-term fuel market. California has recently approved such a mechanism, and the Oregon CFP would benefit from it even more given the impacts of the overperforming California LCFS in Oregon. In years that Oregon and/or nearby LCFS programs are overperforming, the AAM will allow DEQ to adequately address overperformance in the credit market and thus maximize emissions reductions.

Neste recommends that the AAM first be activated in 2027 (using 2026 data). It is essential that DEQ have this mechanism in place should overperformance persist, and to balance out the credit market more quickly so that renewable fuel producers can feel more confident investing in new production.

Novel Vegetable Oils (NVOs) Can Drive Further Decarbonization:

Neste also believes that DEQ can further drive innovation by recognizing NVOs and their associated emissions reductions. NVOs are derived primarily from intermediate and winter annual oilseed crops, harvested between main crops on otherwise idle land or in conservation crop rotations adding feedstock volume and protein-rich meal for the Oregon CFP and feed markets, respectively, without requiring additional farmland. The cultivation practices associated with NVOs often incorporate regenerative agriculture practices that lead to measurable emissions reductions. These emissions reductions are already

² <https://www.oregon.gov/deq/rulemaking/pages/cfp2022.aspx>

being certified and accounted for through several sustainability certification schemes such as ISCC. In fact, the federal government is exploring incentivizing these practices by allowing crop-based feedstocks to obtain lower CI scores when regenerative practices are used. Neste believes that recognizing NVOs strikes the right balance between ensuring feedstocks are sourced sustainably and at the same time leverages available data to provide more value to those producers that are working towards decarbonizing their energy production. Neste therefore recommends that DEQ form a workgroup to make recommendations on how the CFP should account for the benefits of NVOs.

The CFP Should Treat All Hydrogen the Same; Even When Used as a Feedstock

Hydrogen is a key feedstock in the production of RD and SAF, and Neste has invested in the development of hydrogen using low-CI electricity at our Porvoo, Finland refinery³. We hope to perfect this technology and eventually use it at all our refineries, including our Martinez Renewables Joint Venture plant in Martinez, California. Being able to leverage book-and-claim is essential because low-CI electricity or biomethane are not always available near production facilities to produce green hydrogen. Neste was under the impression that Section 340-253-0450 Part 9 allowed for green hydrogen produced from low-CI electricity or biomethane to leverage book-and-claim to produce lower CI RD and SAF. However, Tables 5 and 6 of the "Instruction Manual: Tier 1 CI Calculator for Hydroprocessed Ester and Fatty Acid Fuels" state that book-and-claim of biomethane and low-CI electricity are not allowed and that only direct delivery of both are allowed. Neste is disappointed that DEQ is treating hydrogen that is used as a fuel differently than hydrogen that is used as a feedstock, when they are both ultimately used as fuels. Neste requests that DEQ not stymie innovation and allow RD/SAF producers to use book-and-claim for the generation of green hydrogen. Efforts to produce green hydrogen for RD/SAF could bolster overall innovation around the production and use of green hydrogen.

Additional Proposals to Consider:

Neste suggests that DEQ consider the following additional opt-in sources of credit generation that are "drop-in" fuels that do not require significant infrastructure or investments to implement:

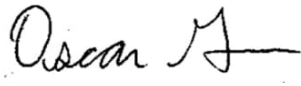
- Ocean Going Vessels (OGVs): Facing increasing CI reduction targets proposed by the International Maritime Organization (IMO), shipping companies are looking to renewable fuels as a way to reduce their emissions. DEQ should consider including fuel used in those ocean going vessels within the CFP to support and accelerate the decarbonization of large container ships, tankers, and other OGVs. California has already indicated that it intends to include OGVs in its LCFS program⁴, and Oregon should do the same.
- Rail Opt-in: The rail sector has indicated to Neste an interest in using lower carbon fuels if incentivized under the CFP. As a direct drop-in replacement of fossil diesel, renewable diesel could play an important role in decarbonizing the rail sector in Oregon if allowed as an opt-in fuel and incentivized by the CFP. Should the rail industry use renewable diesel, nearby communities would see added co-benefits of lower criteria and toxic air pollutant emissions.
- Stationary Generators Opt-in: The past several years have seen significant growth in the installation of stationary backup generators in several states, including Oregon. Operators of stationary generators have expressed to DEQ and Neste a strong interest in creating incentives to replace fossil diesel with renewable diesel. DEQ should add stationary generators as an opt-in use of renewable diesel to help decarbonize this growing source of reliable power. Similar to rail applications, nearby communities would see reduced air emissions if renewable diesel was used in these generators.

³ <https://www.neste.com/en-us/news/neste-has-been-granted-energy-investment-aid-for-its-green-hydrogen-project-at-the-porvoo-refinery>

⁴ <https://ww2.arb.ca.gov/sites/default/files/barcu/board/books/2024/11070824/24-14prores.pdf>

January 9, 2026

We appreciate your consideration and are happy to answer questions or provide additional information.

A handwritten signature in black ink, appearing to read "Oscar Garcia", followed by a horizontal flourish.

Oscar Garcia
Senior Regulatory Affairs Manager
Neste US, Inc.



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

Jan 14, 2026

SUBMITTED ELECTRONICALLY TO: OregonCleanFuels@deq.oregon.gov

Re: Comments on the Clean Fuels Program Listening Session

Rivian Automotive, LLC, (“Rivian”) participated in the December 17, 2025, listening session to inform the upcoming Clean Fuels Program (“CFP”) rulemaking. We appreciate this opportunity to submit follow-up comments in written form.

Our brief comments below reflect on a couple of key topics discussed at the workshop. In particular, Rivian encourages the Department of Environmental Quality (“DEQ”) to consider how this rulemaking could introduce reforms to the electricity provisions of the CFP that will improve the regulation’s effectiveness and better serve Oregon’s objectives. We also identify potential concerns with concepts for revising the CFP’s renewable electricity provisions.

We hope you find these comments helpful as an introduction to Rivian’s perspective. We look forward to continued dialogue and partnership throughout the rulemaking process.

About Rivian

Founded in 2009, Rivian is an independent U.S. company. Rivian manufactures all of its vehicles in the United States. With over 14,000 employees across the globe, Rivian’s expertise lies primarily in engineering, software development, and manufacturing.

In addition to our vehicles, Rivian is a manufacturer of direct current fast chargers (DCFC) and deploys, owns, and operates those chargers in our nationwide Rivian



Adventure Network—including several locations in Oregon. Since launching in 2022, the network has deployed over 800 DC fast charging ports nationwide at over 120 sites, with 85% of those sites now open to all EVs, with more coming soon. Rivian has also started transitioning portions of charging sites to the SAE J3400 NACS connector in anticipation of the growing base of vehicles with native NACS charging inlets coming to market. Rivian's commitment to charging reliability has been demonstrated through the Rivian Adventure Network's high uptime rates of 97%+, achieved via our vertical integration and robust operations and maintenance support.

Maximizing the Impact of the CFP's Electricity Provisions

The signature strength of the CFP is its portfolio-based approach to expanding the use of a variety of clean fuels in Oregon. This includes electricity. Clean fuels policies like the CFP create new markets that marshal private capital for increased investment in the provision and use of clean fuels like electricity.

With strategic reforms, the CFP could be even more effective in this regard. Below we offer several recommendations that would help Oregon reach its goals.

Provide Opportunities for EV Manufacturers to Play a Larger Role in the Program

Clean fuels policies are intended to be market-based systems that create incentive structures for private sector investments by the providers and users of clean transportation fuels. In the light-duty vehicle sector, the two most important market participants are vehicle manufacturers and their customers. Consistent with the core principles of the LCFS, the policy should encourage the participation of these market actors and reward them for making investments in EVs.

To that end, DEQ should consider establishing EV manufacturers as eligible credit generators for residential EV charging. Using telematics, automakers could report accurate and empirical data reflecting actual EV usage and charging behavior, enhancing the integrity of the CFP. In exchange, EV manufacturers should be eligible to earn a share of base residential credits. DEQ could consider establishing other



threshold eligibility criteria such as minimum EV sales percentages that support the state's broader goals. Together, this structure would create new "pull" factors favoring EV deliveries and sales in Oregon, while positioning EV manufacturers—thanks to their market position and close relationship with customers—to earn credits that can be efficiently reinvested in ways that accelerate market growth.

With a sufficiently large allocation of base credits, manufacturers whose vehicles generate credits could potentially operate an EV purchase incentive program. This concept was previously developed and considered by the California Air Resources Board.

Alternatively, DEQ could establish a flexible menu of eligible investment options including some or all of the following:

- Annual dividend checks returned to customers, paying out the value of charging credits.
- Rebates on home EVSE purchases.
- Public charging infrastructure deployment.
- Vehicle-grid integration ("VGI") technology development and implementation

Automakers would report to DEQ annually on their expenditures.

Address the Issue of Take-Home Fleets

Positioning EV manufacturers as a base credit generator also creates the conditions to address the issue of take-home fleets—a key blind spot in the CFP. When fleets charge their vehicles centrally at a depot and they own/operate the charger, they can generate the credits. However, many fleets operate under a take-home model—especially in the light and medium-duty segments—with fleet EVs expected to charge at private residences. The CFP today does not allow for those fleets to capture the credits attributable to such charging activity, eroding the value proposition of electrifying their operations and undermining one of the signature benefits of the CFP for fleet electrification.



With appropriate reforms to the CFP, EV manufacturers could use their telematics data and close relationships with fleet customers to unlock the value of residential credits for those owners and operators. This issue merits a closer examination and Oregon should carefully consider how to optimize the CFP in support of EV deployment across all fleet types.

Reevaluate Guidelines for Utility Credit Revenue Investment

If utilities continue to serve as the primary credit generator for residential charging, DEQ should adopt more defined investment requirements governing their spending of proceeds. While DEQ currently requires utilities to demonstrate that their spending of credit revenue aligns with certain principles, Rivian believes that a more targeted approach is appropriate. Specifically, DEQ should require that utilities use their credit revenue to fund a statewide EV purchase rebate in either the light or medium- and heavy-duty segments.

Consider Providing Advance Credits to Public DCFC Projects

While DEQ cannot establish so-called “capacity credit” provisions for EV charging infrastructure, Rivian recommends considering whether the existing “advance credits” concept could apply to DCFC projects and have similar benefits. Near-term capital availability is one of the constraints facing public DCFC network expansion. The option to secure advance credits could allow operators to pull certain projects forward in time, installing sooner than they otherwise would.

Revise the EER for Light-Duty EVs

DEQ should use this rulemaking to revise the EER used for light-duty EVs in the CFP. This is a relatively minor change in terms of administrative and rulemaking complexity but one with important and significant benefits for the integrity of the CFP and electricity credit generation.

The current light-duty EER value of 3.4 stems from a determination originally made by CARB in the 2011 rulemaking for the California LCFS—and is thus now more than a



decade old and unrepresentative of the contemporary EV fleet.¹ Manufacturers have made substantial improvements to EV efficiency in the years since the California LCFS was first developed and continuing to use an outdated EER systematically undervalues those efficiency improvements, and the real-world impact of those EVs in the context of the CFP. Examples of revised EERs exist in other clean fuels programs and point the way to a more appropriate figure for use in the CFP. Canada's regulation, for instance, specifies an EER of 4.1 for light-duty vehicles.² Rivian would be pleased to discuss this issue further with staff and we encourage DEQ to incorporate it into the rulemaking.

Sustaining Thoughtful Provisions for Electricity Book-and-Claim in the CFP

Rivian relies on the book-and-claim accounting mechanism to support our participation in the CFP. To ensure the program remains both effective and practical, we offer some reflections on the role of Renewable Energy Certificates ("RECs") and how to govern their use.

RECs Provide Valuable Benefits to the CFP

RECs remain the most effective, transparent, and proven mechanism for tying renewable electricity generation to EV charging in the CFP.

- **Flexibility and Viability.** RECs are the established currency of the renewable energy market. They allow for the separation of environmental attributes from physical electricity delivery, which is essential for the "book-and-claim" accounting method. For EV charging operators, physically connecting every charger to a dedicated renewable generator is economically and logistically

¹ California Air Resources Board, Appendix A: Proposed Regulation Order, October 26, 2011, available at www.arb.ca.gov/sites/default/files/barcu/regact/2011/lcfs2011/lcfsappa.pdf.

² Environment and Climate Change Canada, *Clean Fuel Regulations: Specifications for Fuel LCA Model CI Calculations, Version 2.0*, January 2023, p. 85, available at www.data-donnees.az.ec.gc.ca/data/regulatee/climateoutreach/carbon-intensity-calculations-fo-r-the-clean-fuel-regulations/en/Resources/?lang=en.



impossible. RECs provide the necessary bridge to scale renewable procurement alongside network growth.

- **Driving Development.** Demand for unbundled RECs is a primary driver of real-world resource additions. All RECs, including unbundled ones, support renewable energy development by contributing to a project's financial viability.

Rivian advises against layering on additional third-party certifications, such as mandating Green-e, which often impose arbitrary standards inconsistent with state goals. For example, Green-e enforces a strict 15-year rolling "vintage" on facility age. This arbitrary limit suggests that a project built 14 years ago is impactful, but one built 16 years ago—or a 10-year-old project contracted five years from now—is not. This binary cutoff ignores the ongoing environmental value of maintaining existing renewable assets.

Oregon should instead define its own robust eligibility standards without deferring to a third-party organization. Existing tracking systems like WREGIS are sufficient to prevent double-counting and ensure verification.

Developing Beneficial Eligibility Standards

Rivian supports pairing strict vintage requirements (time of generation) with broad geographic eligibility, rather than imposing restrictive facility-age mandates.

- **Vintage.** We respectfully urge DEQ to avoid restricting eligibility only to new facilities placed into service after a future date (e.g., post-2025). Strict new-build requirements without a significant grace period would present practical impossibilities. Credit generators would have needed to sign Power Purchase Agreements ("PPAs") years ago to secure RECs from projects coming online today. A strict new-build mandate would effectively lock out market entrants and stall near-term participation in a pathway designed to support electricity use. Instead, DEQ should maintain a vintage requirement—for example, RECs generated within 21 months of the claim—to balance flexibility with integrity.
- **Geographic Scope.** The CFP should prioritize impact, supporting resource additions to the grid where the benefit is greatest. That is why Rivian strongly supports maintaining REC eligibility across the entire Western Electricity



Coordinating Council (“WECC”), as opposed to more restrictive geographic limits. Restricting geographic eligibility fractures the market and drives up costs. Market analysis consistently shows that geographically restricted compliance markets (like solar carve-outs in specific states) trade at significant premiums compared to broader regional markets, without necessarily driving greater impact. By restricting supply, the program would artificially constrain liquidity, increasing the cost of RECs to a point where the incentive to participate in book-and-claim potentially evaporates. This would directly reduce the revenue available to expand EV charging infrastructure in Oregon.

Taking a Regional View

DEQ should not be concerned with matching RECs to specific service territories where the underlying power is or isn’t consumed. The concept of matching underlying power to a specific service territory is becoming increasingly anachronistic. Through the Western Energy Imbalance Market (“WEIM”) and the upcoming Extended Day-Ahead Market (EDAM), the western grid is moving toward greater regional integration, optimizing electron flow across state lines to balance load. Restricting REC eligibility to a specific utility territory attempts to enforce a local constraint on a system that is operating regionally.

Most corporate renewable energy added to the grid today is financed via Virtual Power Purchase Agreements (vPPAs), where a buyer in one location contracts with a project in another to guarantee a fixed price. Requiring service territory matching would undercut this proven model in the context of the CFP. It would force participants to rely on smaller, more expensive, and less impactful local projects, rather than leveraging the scale and efficiency of the broader western renewables market.

Conclusion

Thank you for the opportunity to provide initial feedback and comments and please contact me with any questions. We would welcome the opportunity to meet with DEQ to discuss any of these issues in more detail. We look forward to participating in this rulemaking process going forward.



Tom Van Heeke
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Rivian Automotive
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**Oregon Department of Environmental Quality
Clean Fuels Program
700 NE Multnomah St #600, Portland, OR 97232**

RNG COALITION Listening Session Feedback

The RNG COALITION appreciates the opportunity to provide early input as the Oregon Department of Environmental Quality initiates rulemaking for the next phase of the Clean Fuels Program. We support the continued evolution of the program as a critical tool for achieving Oregon's greenhouse gas reduction goals while maintaining affordability and reliability, consistent with Executive Order 25-29 and the State's recently adopted Oregon Energy Strategy

Are the current priorities for target setting still appropriate and is the existing ranking correct?

Yes. RNG COALITION believes the Clean Fuels Program's existing focus on lifecycle-based carbon intensity reductions, technology neutrality, and market flexibility remains sound. These principles have allowed the program to deliver emissions reductions while supporting a diverse portfolio of low-carbon fuels, including renewable natural gas derived from organic waste. Maintaining these priorities is especially important as Oregon seeks near-term emissions reductions that are scalable, cost-effective, and deployable using existing infrastructure.

What has changed since prior rulemakings that should inform future standards?

Several developments underscore the importance of preserving a flexible, performance-based program structure. Market conditions remain dynamic, with supply chains, financing environments, and federal policy pullback affecting project development timelines. At the same time, Oregon's Energy Strategy recognizes that low-carbon fuels like RNG will continue to play an essential role in meeting statewide climate goals, particularly in hard to electrify sectors. These factors support maintaining program design features that provide investment certainty and allow proven fuels like RNG to continue delivering real, verifiable emissions reductions.

Is there good cause to consider adjustments to existing standards prior to 2035?

RNG COALITION encourages DEQ to approach any pre-2035 adjustments cautiously. Stability and predictability are foundational to clean fuel market performance, especially for capital-intensive projects with long development horizons. Early or frequent changes to standards risk

discouraging investment and slowing deployment of low-carbon fuels. Any adjustments should be grounded in demonstrated program performance and informed by actual market data rather than theoretical supply concerns.

What should DEQ keep in mind when considering post-2035 standards and longer planning horizons?

Longer planning horizons can provide value if they reinforce investment certainty and allow markets to scale in an orderly way. Any consideration of post-2035 standards should preserve the Clean Fuels Program's core strengths: technology neutrality, lifecycle-based accounting, and flexibility to accommodate evolving fuel pathways. For RNG specifically, maintaining clear and durable rules will be critical to enabling continued deployment and ensuring that the environmental benefits our industry brings remain part of Oregon's long-term climate strategy.

RNG COALITION looks forward to continued engagement with DEQ as this rulemaking proceeds and appreciates the Department's commitment to a thoughtful, data-driven process. We stand ready to provide additional technical input and market perspective as Oregon works to build on the success of its Clean Fuels Program.

Respectfully submitted,

Respectfully,

Yanni Psareas
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RNG COALITION
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Portland, OR, 97238
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Antonio Machado

Senior Manager, Northwest Regulatory Affairs and Fuels

January 9, 2026

Sent via email to: OregonCleanFuels@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 December 2025 OR CFP 2026-2027 Rulemaking Kickoff Session

Dear Mr. Peters,

The Western States Petroleum Association (WSPA) appreciates the opportunity to provide the Oregon Department of Environmental Quality (DEQ) with stakeholder feedback following the Clean Fuels Program (CFP) 2026–2027 Rulemaking Kickoff Listening Session held on December 17, 2025.¹ WSPA is a trade association representing companies that provide diverse sources of transportation energy throughout the West, including Oregon. Our members are involved in the transportation and marketing of petroleum and liquid fuels, biofuels and renewable fuels, natural gas, and other energy supplies.

WSPA appreciates DEQ's early outreach and its intent to use modeling to inform target-setting and program design. Presented below are WSPA's general and specific comments from the listening session regarding the upcoming Oregon CFP rulemaking process, based on DEQ's staff slide presentation delivered during the kickoff session. Each specific comment is referenced by slide number from the presentation.

General Comments

Rulemaking Process

WSPA appreciates DEQ's focus on a transparent rulemaking process that allows for meaningful stakeholder engagement through public workshops and review of draft regulatory language. Stakeholder input is essential to preventing unintended consequences and ensuring practical implementation.

We recognize and commend DEQ for initiating a Rule Advisory Committee (RAC) as part of this effort. WSPA has formally expressed interest in serving on the RAC via email submission, and we look forward to being included and contributing timely, constructive input to support the development of workable and effective regulations.

Program Design and Technology Neutrality

WSPA urges DEQ to ensure that the CFP remains consistent with its statutory foundation under HB 2186, which authorizes a low-carbon fuel standard designed to reduce the average carbon intensity of transportation fuels without prescribing specific technologies. The CFP's market-based structure inherently allows a range of fuels and technologies to compete as long as they achieve

¹ [2026-27 Rulemaking Kickoff Listening Session - Oregon Clean Fuels Program](#)

the required carbon intensity reductions. WSPA urges DEQ to ensure that the CFP remains both technology and fuel neutral. We disagree with the emerging implication that electrification is the sole or preferred pathway to achieve decarbonization. The CFP must not be repurposed to serve a singular technology goal. Instead, it should allow the market and technological innovation to determine the most efficient and effective routes to emission reductions.

We stress that affordability and feasibility must remain foundational principles. A one-size-fits-all approach that elevates electrification above other viable solutions risks undermining both objectives, especially in light of the real-world challenges facing Oregon's diverse fuel and transportation infrastructure. Models must reflect what is feasible and plausible, rather than overly optimistic or constrained by policy assumptions that limit fuel diversity.

It is critical to remember the original legislative intent of the Oregon CFP program, which was to support a diverse range of clean fuel options, not to mandate or prioritize electrification. Clean fuels include renewable diesel, renewable natural gas (RNG), advanced biofuels, hydrogen, and technologies incorporating carbon capture and sequestration. Some of these fuels can even achieve net-negative carbon intensity and should not be dismissed based on theoretical projections favoring electricity.

WSPA emphasizes that setting the standards and allowing innovation and competition to drive the most cost-effective outcomes is the hallmark of a successful clean fuels program. The current trajectory signals a narrowing of pathways, which could raise costs, constrain compliance flexibility, and jeopardize the long-term sustainability and credibility of the program.

Specific Comments

I. Responses to DEQ's Policy Questions

1. Should Oregon consider adjusting its existing CI standards before 2035?

DEQ Slide 24

WSPA urges caution in revisiting the existing CI standards before 2035. Oregon's current target of a 37% reduction by 2035 is already aggressive. With the CFP credit bank declining even under a 10% CI reduction standard in 2025, any additional tightening of targets may undermine program feasibility, drive up fuel costs, and limit compliance flexibility. A smoother CI step-down, spread out over a longer period, would allow the market adequate time to adjust and enhance long-term program stability.

Target-setting must be based on Oregon-specific modeling rather than alignment with neighboring states, ensuring that any changes reflect the unique realities of Oregon's infrastructure, fuel supply, and transportation markets.

2. What factors should DEQ consider in developing standards beyond 2035?

DEQ Slide 24

Future target-setting must prioritize feasibility, affordability, and flexibility. Modeling should incorporate a realistic range of technology uptake scenarios, including moderate EV adoption rates and consider the potential impact of federal and state policy changes on feedstock availability and renewable fuel imports. The annual update of the long-term fuel forecast will be critical to guiding

this process. WSPA encourages DEQ to maintain a technology-neutral framework and avoid assuming that one pathway, such as electrification, will dominate the market in the long term.

3. Should Oregon extend its Clean Fuels targets to 2045?

DEQ Slide 24

WSPA supports long-term policy certainty, which helps fuel providers plan and invest in low-carbon solutions. However, any extension of the Clean Fuels Program targets to 2045 should be grounded in rigorous, Oregon-specific modeling and a thorough assessment of the state's unique fuel supply, demand, and infrastructure conditions. While alignment with neighboring states may offer benefits in some areas, it should only be pursued when it clearly serves Oregon's interests and supports the program's feasibility and cost-effectiveness.

4. How should renewable electricity used for EV charging be credited? Are RECs still the best method?

DEQ Slide 39

WSPA supports maintaining environmental integrity in electricity crediting and urges DEQ to apply more rigorous standards when using renewable energy certificates (RECs) or book-and-claim methodologies. Electricity credits should reflect actual emissions reductions based on real-world conditions. Wherever possible, DEQ should transition to time-of-use or hourly matching of grid CI to ensure that claimed reductions align with when and where charging occurs.

WSPA also recommends allowing RECs to be used in other fuel pathways, not just electricity, to improve flexibility and encourage innovation while maintaining safeguards against double-counting.

5. Should RECs be required to originate from within Oregon or the same utility territory?

DEQ Slide 39

WSPA supports stronger geographic and temporal constraints on REC usage. Credit claims should reflect the emissions profile of electricity at the point and time of use, and DEQ should ensure that the same REC is not used both in the CFP and to satisfy HB 2021 utility obligations.

6. How can DEQ ensure the environmental integrity of electricity credit claims?

DEQ Slide 39

To ensure the environmental integrity of electricity credit claims, WSPA recommends several key measures. First, DEQ should transition to time-based or actual grid CI methodologies for EV charging to more accurately reflect emissions. It is also important to avoid assumptions that electricity is inherently zero-CI, as this can misrepresent the true environmental impact. Also, the full lifecycle impacts of electrification, such as resource extraction, battery disposal, and infrastructure buildout, must be considered.

Finally, crediting methods should be structured to avoid unfairly favoring electrification over other low-carbon fuel alternatives, such as renewable natural gas (RNG) and fuels utilizing carbon capture technologies.

II. Comments on DEQ's Presentation Slides

Slide 27 – “Electricity... can get closer to a zero-carbon intensity than other fuels.”

The claim that “electricity... can get closer to a zero-carbon intensity than other fuels” oversimplifies the comparative greenhouse gas performance of various energy carriers. Fuels such as renewable natural gas and those incorporating carbon capture and sequestration have been shown, under certain lifecycle accounting frameworks, to avoid more emissions than they produce, resulting in net-negative carbon intensity metrics in some cases.² At the same time, electricity's carbon intensity can vary significantly over time and by grid source and should not be assumed to be inherently zero. DEQ should avoid generalizing claims about environmental superiority without acknowledging these nuances.

Slide 28 – “All electricity credits are tied to real emissions reductions.”

WSPA encourages DEQ to revisit this assertion in light of current book-and-claim provisions. While these provisions are intended to support renewable energy deployment, they may not always reflect the real-time emissions profile of the electricity grid. For example, when EVs are charged at night (when solar is unavailable), during periods of low wind, or during peak demand hours and winter months, when fossil fuel generators often provide the marginal power, the actual GHG emissions can be significantly higher than implied by book-and-claim crediting.

Refining electricity accounting methods to better align with actual grid conditions would enhance the accuracy and credibility of credited emissions reductions.

Slide 31 – Transportation Electrification Strategies

DEQ should consider a broader range of strategies to meet its GHG targets beyond battery-electric vehicles. WSPA encourages DEQ to take a more holistic view of transportation electrification by fully considering the lifecycle impacts of battery-based technologies. Evaluating upstream and downstream effects is essential to ensure that transportation decarbonization strategies deliver genuine and durable environmental benefits.

Slides 35–36 – Carbon Accounting and REC Use Across Programs

The interaction between CFP electricity crediting and HB 2021 utility emissions reporting presents a risk of double-counting RECs. DEQ should develop clear regulatory distinctions to ensure that emissions reductions are not credited to multiple parties or programs for the same unit of renewable electricity.

Slide 39 – Crediting for Renewable Electricity

WSPA recommends that DEQ refine its approach to crediting renewable electricity used for EV charging by moving away from the current practice of assigning zero carbon intensity based solely on the matching of RECs, regardless of when or where charging occurs. Instead, DEQ should consider using actual grid CI values, or time-of-use CI values, so that electricity credits reflect the emissions profile of the grid at the time of consumption.

Assigning a blanket zero CI to all EV charging risks overstating the greenhouse gas benefits, particularly during periods when fossil fuels are the primary source of grid electricity. A shift toward

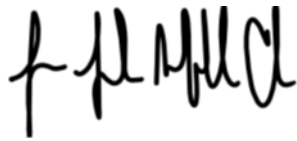
² [WRI - Renewable Natural Gas as a Climate Strategy: Guidance for State Policymakers](#)

more accurate, time-aligned CI accounting would enhance program credibility and ensure that reported emissions reductions are both real and verifiable.

WSPA appreciates DEQ's consideration of these comments and encourages the agency to continue engaging with stakeholders as the rulemaking progresses. We support DEQ's goals of reducing GHG emissions in Oregon's transportation sector and believe that preserving feasibility, market flexibility, and program integrity are essential to long-term success.

We encourage DEQ to reach out to WSPA for any clarification on these comments. 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 'Amanda Machado', is positioned below the 'Sincerely,' text.

Cc: Jessica Spiegel - WSPA



Submitted via email to OregonCleanFuels@deq.oregon.gov

January 8, 2026

Bill Peters
Clean Fuels Program Manager
Oregon Department of Environmental Quality

Re: Request for Input on upcoming Rulemaking for Clean Fuels Program

Dear Mr. Peters,

SRECTrade, Inc. (dba Xpansiv Managed Solutions) respectfully submits the following comments in response to the listening session held on December 17, 2025 regarding amendments to the Clean Fuels Program (CFP).

Carbon Intensity (CI) Standard

Xpansiv Managed Solutions supports the increased ambition in Carbon Intensity (CI) reductions and commends Oregon for its leadership at a time when federal policy no longer supports fuel transition. The additional stringency and extended timeline will better align Oregon with the other West Coast clean fuels markets and signal a strong, long-term commitment to clean fuels – particularly to the electrification industry.

We also applaud DEQ's decision to pursue in-depth, Oregon-specific modeling. This approach can leverage lessons from biofuel market trends while reflecting Oregon's unique clean fuel supply and storage infrastructure. Given the significant CFP credit value fluctuations in recent years, we hope refreshed modeling will contribute to greater price stability. The results should inform the adjustments to the CI standard prior to 2035.

Additionally, given recent price swings, implementing a mechanism for ongoing adjustments of the CI standard (either automated such as the AAM in California's LCFS amendments, or a trigger-based process as seen in the Washington CFS amendments) would benefit all market participants.

Green-e Requirement for RECs

Xpansiv Managed Solutions recommends removing the Green-e requirement due to its negative impact on net clean fuel incentive values and the disincentive it creates for using Oregon-sited RECs.

The Greene standard primarily exists to prevent duplicate voluntary marketing claims on renewable energy credits and does not provide additional validation regarding the end use of compliance credits. When a REC is retired in WREGIS for the CFP program, that retirement



constitutes the REC's end of life and should satisfy the book-and-claim requirements. Both California and Washington view WREGIS retirement as the sole verification required for RECs.

The Green-e requirement adds substantial cost and administrative complexity to book-and-claim participation. These costs are typically passed on to fuel supply equipment owners and operators, **reducing the net value created by the program to promote clean fuels.**

We recognize that utility GHG reporting requirements create challenges—as identified by CRS—because utilities are not required to retire RECs to count the associated energy in their resource mix. The appropriate market solution would be integrating RECs directly into the utility reporting program. Short of that, DEQ could implement a click-through attestation or reporting mechanism within the CFP to ensure that RECs counted by utilities are not reused for book and claim purposes. **In practice, the market has avoided Oregon-sited RECs due to this risk, and Xpansiv Managed Solutions anticipates this behavior will continue unless the Green-e requirement is removed.**

Program Priorities and Electrification

The program priorities established by the previous RAC provide a helpful framework. However, based on fuel participation to date, the CFP has been most utilized by biofuel and renewable diesel – the RAC's lowest priority. Looking ahead, Xpansiv Managed Solutions feels the order of priorities remains valid, but the challenge lies in translating the priorities into adoption, particularly given the loss of federal incentives for electrification. While a multiplier option for electricity credits could address several issues, we understand that approach is not viable under the clean fuels legislation

One practical step to support further electrification is eliminating the Green-e requirement for RECs, as discussed above. This change would increase the net value of credits, specifically for electric fuel suppliers.

Thank you very much for your time and consideration as you review these comments. We appreciate DEQ's dedication to managing a program that promotes a sustainable transportation system for Oregon.

Ryan Huggins
Director, Business Development
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 roughly 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.