State of Oregon Department of Environmental Quality

Written Comments

CPP EITE 2027 Rulemaking Advisory Committee Meeting 2

This document is a compilation of written comments received through Sept. 8, 2026 at 1 p.m. related to the second meeting of the advisory committee for the Climate Protection Program EITE 2027 Rulemaking held on July 29, 2026.

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columbia river nitrogen llc

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September 8, 2026

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Submitted via email: CPP.EITE@DEQ.Oregon.gov and Evan.Manvel@DEQ.Oregon.gov

RE: Columbia River Nitrogen, LLC Comments on Climate Protection Program (CPP) - Emissions-Intensive Trade-Exposed (EITE) - Rulemaking RAC 2 Policy Memo

Dear Mr. Manvel:

Thank you for putting together the policy memo for the second Rulemaking Advisory Committee (RAC) meeting and hosting the corresponding discussion. For your consideration, Columbia River Nitrogen, LLC (CRN) is providing responses to the questions raised by the Oregon Department of Environmental Quality (DEQ).

As the only regional manufacturer of ammonia, and one of only two nitrogen plants in the Pacific Northwest, the CRN plant represents an essential source of fertilizer used in Oregon. Moreover, the CRN plant minimizes transportation emissions throughout the Columbia Basin and other agriculture areas. That is because any fertilizer used in Oregon, but not produced in Oregon, must be imported from outside the state. Imported fertilizer has a significantly higher greenhouse gas footprint than fertilizer produced in-state by the CRN plant. That is due in large part to the emissions associated with transporting fertilizer from out-of-state producers to the Oregon market. Accordingly, the very best way to reduce GHG emissions from fertilizer used in Oregon is to promote CRN's lower-intensity fertilizer production at the Deer Island plant. Our comments below are aimed at ensuring that DEQ's EITE rulemaking supports, not discourages, operations at the Deer Island plant.

Is there something non-representative about the most recent years of 2023–2025 when it comes to assessing the current state of production at an individual source or across multiple sources?

CRN's facility completes fully integrated manufacturing of ammonia, urea (both prill and solutions) and urea ammonium nitrate (UAN), each critical fertilizers used by regional agricultural customers. In addition, the plant produces Diesel Exhaust Fluid (DEF) for use as a reagent in air pollution control equipment (e.g., NOx abatement for diesel fueled transportation equipment).

CRN previously proposed to DEQ an emission intensity baseline (or benchmark) which accounts for the normal variability, year over year, of the carbon intensity in each of the facility's production units (combustion, ammonia production, and nitric acid production). Specifically, CRN requested a value that reflects the variability of GHG intensity resulting from the plant's production of nitrogenous products between 2020 and 2024. CRN proposed a combined metric of emission intensity per metric tonne ammonia produced to capture the variability in emissions intensity for each reported GHG Subpart.

A simple average intensity metric derived from data from the years 2023-2025 is not representative of the typical production cycles at CRN for the following reasons:

- CRN has a longer temporal cycle in production than what is represented in the three years of 2023-2025. In addition, there were circumstances during this time period that were not representative of typical CRN production cycles.
- During any year of production, fluctuations in emission intensity for combustion, ammonia manufacturing and nitric acid production could align to result in a combined metric of emission intensity akin to what CRN proposed, which is significantly different than the metric of emission intensity that would result from a simple average derived from 2023-2025 data.
- Maintenance shutdown events vary in their duration and needs from year to year.

Therefore, it is imperative that a simple average from 2023-2025 is not imposed to set CRN's baseline (or benchmark). If DEQ ultimately evaluates baseline using an average instead of CRN's proposed combined intensity approach, then CRN requests that a minimum of 2 standard deviations be applied to that average to account for variability inherent in CRN's production processes.

Should DEQ incorporate more recent emissions data than 2025 in the benchmarks? What might the advantages or disadvantages be of using the most recent emissions data year, like 2026, in the benchmark?

- More data over an additional year could be more representative of the long-term cycle, but even four years is a small sample set for the overall production cycle at CRN.
- Recent years represent the part of CRN's production cycle where production is low. This lull in normal production trends do not fully represent normal oscillations in emissions and production. Having a sample set of the most recent years doesn't capture the variability over a longer production cycle and is cherry picking data.
- An average with a minimum 2 standard deviations would be more representative of the longer production cycle with inherent variability that is typical of CRN production and emission intensity.
- Production data from 2026 could be incorporated in the average if a minimum of two standard deviations is used to set baseline emission intensities.
- The limited carbon intensity period of data submitted represents just a fraction of the actual operational history of CRN's facility, and is not a predictor of future economic downturns or market growth opportunities. So, the method of setting a benchmark intensity value based on the historical data submitted may inherently and inappropriately restrict future operations by CRN that would otherwise be allowable under our current air permit. We ask that DEQ's EITE rules, in addition to including a reduction schedule adjustment process, also include a provision allowing EITE sources to request that the carbon intensity benchmark be adjusted (temporarily or permanently, when appropriate), to reflect changes in our facility's products or operations that would render the initially established benchmark no longer representative of source operations, or to accommodate intensity changes that result from circumstances outside of our control (e.g., equipment failure).

Should any reductions start before the 2030–2031 compliance period? Why or why not?

No, reduction should not start before the 2030 – 2031 compliance period for the following reasons:

- CRN needs time to evaluate the feasibility of and strategies for efficiency improvement projects.
- Emission reduction projects take time for planning, budgeting, obtaining approvals, engineering designs, permitting, securing equipment and implementation.
- Capital project planning cycles are often three to ten years long.

What are your thoughts on an annual reduction of between 1 and 2.5 percent for all EITE sources? Does this approach adequately incentivize emission reductions at EITE sources while allowing for production growth?

- A 1% reduction schedule every compliance period, coupled with a representative, facility specific baseline, would make efficiency improvement projects more feasible.
- A 2% reduction schedule, especially annually, makes the possibility of investing in energy efficiency projects more difficult and does not allow for production growth.
- Overall, CRN supports a default 1%-1.5% reduction schedule, per compliance period, and subject to adjustment, in comparison to previously proposed reduction schedules.

What are your thoughts on a reduction schedule adjustment process? What do you see as the potential advantages or disadvantages of DEQ's proposed approach?

- CRN supports a clear, simple and usable reduction schedule adjustment process because CRN is a unique producer in a unique industry with limited technical and economical measures to improve efficiency. As the only regional manufacturer of ammonia, and one of only two nitrogen plants in the Pacific Northwest, the plant minimizes transportation emissions throughout the Columbia Basin and other agriculture areas. That is because any fertilizer used in Oregon, but not produced in Oregon, must be imported from outside the state. Imported fertilizer has a significantly higher greenhouse gas footprint than fertilizer produced in-state by the CRN plant. That is due in large part to the emissions associated with transporting fertilizer from out-of-state producers to the Oregon market. The best way to reduce GHG emissions from fertilizer used in Oregon is to promote CRN's lower-intensity fertilizer production at the Deer Island plant.
- CRN supports a standardized framework of analysis so EITEs can provide objective criteria to evaluate the feasibility of meeting the default reduction schedule. If CRN were to close, Oregon would experience a net increase in CO2e emissions due to the need to import vital products into Oregon. The emissions from transportation would out scale the emission reduction from decreasing emission intensity requirements at CRN.
- Large capital improvements projects occur in a budgeting and implementation timeline of up to ten years.

If DEQ creates a reduction schedule adjustment process, what should sources be required to demonstrate to be eligible? Should any parts of the application require outside certification?

- Pattern after established air permitting concepts such as Best Available Control Technology (BACT) analyses.
- Outside certifications should not be necessary.

If DEQ creates a reduction schedule adjustment process, what should an analysis of potential reductions include? Are there items missing from the list above, or are items unnecessarily included?

- CRN encourages the DEQ to use objective and administrable criteria, and communicate that criteria to EITE facilities.
- Comparisons to other facilities are not possible in CRN's case as it is the only facility of its kind in Oregon.
- Considerations of co-pollutants impacts should not be part of the process, as those are regulated under different programs. Including them in the program dilutes the objective of the CPP.
- Unless the CPP rules include such an objective and administrable reduction schedule adjustment process, once we have implemented all reasonable means to reduce GHG emissions at the Deer Island plant, we will face significant compliance instrument shortfalls. This will constrain the plant's production and jeopardize our ability to make our nitrogenous products (including fertilizer and DEF) in Oregon, which will place us in a non-competitive business situation compared to other ammonia producers that are not subject to Oregon DEQ rulemaking but can supply product into the state.

Should any potential adjustments apply only to the forthcoming compliance period, or should DEQ have the discretion to include a longer adjustment, perhaps up to four years? What might be the advantages or disadvantages of providing DEQ with this level of flexibility?

- CRN strongly supports DEQ considering a different method for distribution compliance instruments to EITE facilities during a significant production downturn event.
- Emission intensity increases sharply when production is lowered. Even if overall emissions are lower, suppressed production can inflate emission intensity.
- This can happen when idle operating conditions are necessary for maintenance, other shutdown events or capital improvement projects.

What would be the process for determining whether a reduction in production was significant enough to use an alternative distribution approach?

- The DEQ should compare actual total emissions to the level of emissions that would have otherwise occurred if production was not reduced.
- If actual total emissions are below the "compliance" level (i.e., the level of emissions that would have occurred at baseline, less requisite intensity reductions) for that compliance period, there should be no penalty.

- If actual emissions exceed the compliance level, the facility should only be responsible for the difference between actual emission and the project emission level for that compliance period.

If yes, should it be one of the approaches discussed above or another? What are the benefits and disadvantages of the different approaches?

- CRN supports support the minimum distribution concept for facilities whose total emissions remain below projected normal (or compliance) levels, paired with borrowing or a similar mechanism where a facility's actual emissions remain above the expected compliant level despite reduced production.
- This seems easier to administer and more predictable than a more subjective case-by-case reserve.
- If DEQ considers a reserve, that reserve should not be funded by reducing each EITE source's allocation, because that would simply redistribute compliance instruments among the same group of regulated entities and reduce the initial pool of instruments.

Are there approaches DEQ should consider for those interested in keeping production numbers confidential?

- CRN believes a production-based benchmark remains important for facilities like ours, whose future operations may increase, because it allows allocation to scale with production.
- Since CRN is the only facility of its kind in the western United States, it is less impacted by confidentiality concerns. Still, facilities with significant confidentiality concerns should be allowed to opt into a mass-based benchmark and reduction schedule if that better protects sensitive production data.
- CRN believes that DEQ should seek to maximize its ability to protect sources that submit trade secret information to DEQ under the CPP, and clearly identify types of data that DEQ will protect from public disclosure to the maximum extent permissible under Oregon's public records law.

Is an option of a mass-based benchmark and reduction schedule a worthwhile compromise that could provide assurance of keeping production data confidential while losing the function of expanding allocation to sources whose production levels have increased?

- Ideally such an option will not be needed because production data is trade secret information that, under Oregon's public records law, should already receive protection from public disclosure.
- However, that approach should remain optional. Facilities that need flexibility to accommodate future growth should be able to use a production-based approach, and those facilities should not have to sacrifice the confidentiality of their trade secret information to take advantage of that approach.

DEQ is considering presenting the proposed metric of production or process for each EITE source, without a specific benchmark number, at the next advisory committee meeting. What might be advantages or disadvantages of doing this? Do you have any concerns?

- Presenting proposed production or process metrics without benchmark numbers may be useful for obtaining feedback on whether the selected metric is technically appropriate.
- CRN encourages the DEQ to remain cautious about inadvertently revealing confidential business information (trade secrets) through combinations of emissions data, benchmarks, reduction schedules and compliance instrument distributions.

Should DEQ increase the 20 percent limit on using CCI credits for EITEs? If so, to what percentage, and why?

Yes, the CCI credit limit should be increased over 20 percent for the following reasons:

- EITE sources should be allowed to use a market-based, least-cost approach to meet their compliance obligations.
- Increasing the percent limit will provide compliance options and avoid penalties if credits cannot be covered with CCI credits.
- CRN encourages DEQ to allow broader use of CCI credits. Doing so would help facilities remain competitive over a short-run while still supporting emissions reductions. For EITE sources, the CCI credit limit should be increased substantially.
- The CRN preference would be to remove the CCI credit limit entirely.

Alternatively, DEQ should consider alternate allowance sources. CRN is anxious that insufficient CCI credits will be available or will be too expensive to support our business. We ask that DEQ give covered EITE sources access to alternate allowance sources, such as offsets, to ensure that cost-effective compliance pathways exist for covered EITE sources. In addition, we request that DEQ allow covered EITE sources to acquire and bank CCI credits for use by those sources without limitation.

Should any increase be available anytime, or only under certain conditions?

- Increases should be available at anytime.
- Having cost options for achieving emission reductions allows EITEs to remain competitive, adaptive to changes, and allows planning for emission reduction projects.

Is there any additional program data on EITE implementation that should be included in the annual report to the EQC or the five-year program review? If yes, what information and why?

DEQ should consider including information that helps evaluate whether the EITE provisions are functioning as intended, including the number of sources requesting benchmark adjustments, the number and basis of any reduction schedule adjustments, the use of downturn-related provisions, the use of CCI credits by EITE sources, and any observed or projected leakage or impacts on production, competitiveness or facility operations.

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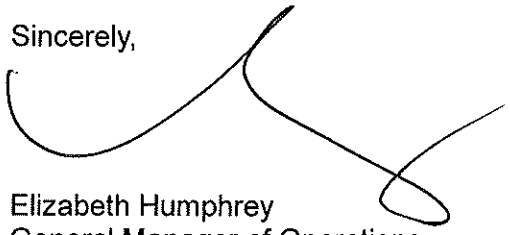
In summary, the default, mass-based framework set out in the current CPP rules would, if applied to the CRN Deer Island plant, massively constrain the plant's production capacity and quickly push fertilizer production out of Oregon. So too would an EITE rule that is based on non-representative facility intensity information or that is too inflexible to acknowledge the circumstances EITE sources face. As previously indicated, either outcome would increase GHG emissions and eliminate jobs in the economically challenged area of the state in which the Deer Island plant operates.

Therefore, CRN requests that DEQ continue to collaborate with EITEs to develop an EITE rule that balances the state's overall climate goals with what is technologically and economically feasible for its EITEs. Again, we see that the overall key to reducing the GHG-intensity of fertilizer used in Oregon is for the CPP to promote and protect local fertilizer production. Further, significant cost increases to CRN products would drive our customers elsewhere, which would be detrimental to the Oregon CPP objective to reduce GHG emissions.

Columbia River Nitrogen respectfully encourages DEQ to consider source-specific benchmarks, delayed initial reductions, a reasonable glide path, a meaningful reduction schedule adjustment process, downturn protections, confidentiality options and broader CCI credit flexibility. This is important to ensure the program achieves feasible emissions reductions from EITEs without unintentionally discouraging their continued operation and investment in Oregon.

Please let me, or our Environmental Manager – Fran Erickson (phone 503-366-8902), know if you have any questions after reviewing this application. We look forward to discussing this information with you.

Sincerely,



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September 1, 2026

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Re: ENTEK International LLC's Comments on DEQ EITE Rulemaking RAC 2 and RAC 2 Policy Memo

Dear DEQ Office of Greenhouse Gas Programs,

ENTEK International LLC (ENTEK) appreciates the opportunity to submit comments on DEQ's RAC 2 and RAC 2 Policy Memo concerning the ongoing EITE rulemaking under the Climate Protection Program (CPP). We acknowledge DEQ's collaborative approach throughout the listening sessions and RAC process. That said, material adjustments to DEQ's EITE rulemaking policy leanings are needed so that the EITE rule will allow ENTEK's Oregon operation to remain competitive. This letter presents ENTEK's position on the four key policy adjustments essential to our sustained operation in Oregon under the CPP.

ENTEK has been headquartered and has operated our battery separator manufacturing facility, in Lebanon, Oregon for over 40 years. With more than 500 employees in Oregon, we are a leading local employer of engineers, millwrights, electricians, scientists, machinists, welders and other professionals. From Oregon, ENTEK has grown into a global business and is the leading domestic manufacturer of battery separators.

ENTEK's Oregon operation has outsized importance to our national economy, critical supply chains, and security. Our products are in the majority of vehicles across North America, emergency response equipment, energy infrastructure, and U.S. military hardware. Our battery separator products are also helping achieve the transition to clean energy, and are found in electric vehicle batteries and batteries used for energy storage.

As a threshold matter, we emphasize the significance of the trade-exposure and energy-intensive nature of our Oregon operation. ENTEK competes directly with domestic and foreign battery separator manufacturers operating in jurisdictions lacking CPP equivalent carbon regulatory systems or equivalent emissions control mandates, and in which energy costs are lower than in Oregon. Equally challenging is that ENTEK is just one manufacturer

of battery separators competing in a global market, making it impossible for ENTEK to pass its costs from CPP or other regulatory compliance burdens on to our customers. Accordingly, if CPP's compliance obligations render ENTEK's Oregon operations uncompetitive, the market will force those operations to shut down or relocate.

As we have shared previously with DEQ, ENTEK's annual greenhouse gas emissions amount to less than one-tenth of one percent of emissions from entities regulated under CPP. Approximately 90% of ENTEK's covered emissions come from two boilers that produce process steam for the solvent recovery and carbon bed control systems at the Oregon facility. ENTEK is required to operate those systems for emissions control purposes under its DEQ-issued Title V permit and Cleaner Air Oregon.

The emissions the CPP would ask ENTEK to reduce are, primarily, the direct by product of complying with other DEQ air quality mandates. No alternative technology currently exists to power ENTEK's emissions control systems without natural gas. For these reasons, year over year, ENTEK's greenhouse gas emissions remain relatively flat while production fluctuates, resulting in variability to our carbon intensity. That reality, and the fact that ENTEK cannot simply pass CPP compliance costs onto our customers, informs ENTEK's position on DEQ staff's EITE rule policy "leanings".

We appreciate DEQ staff's recognition of leakage risk and development of policy "leanings" that recognize EITEs need regulatory flexibility to meet global market demands. We specifically support DEQ's leanings toward source-specific benchmarks, the delay of reduction requirements to 2030-2031, and the willingness to consider a reduction schedule adjustment mechanism.

As detailed below, our comments focus on four policy areas that we believe require further refinement. Specifically, if the EITE rule is to achieve realistic intensity reductions while preserving the competitiveness of ENTEK's Oregon operation, ENTEK requests that DEQ further refine (1) how a representative emissions intensity benchmark would be established for ENTEK, (2) the intensity reduction adjustment process available to EITEs, (3) how regulatory relief would be promptly available to ENTEK during production downturns, and (4) the EITE rule's treatment of emissions control-systems required by law.

1. THE EITE Rule Must Set ENTEK's Intensity Benchmark from a Representative Baseline Period.

As a default, DEQ has stated it is considering looking to the three years from 2023 through 2025 to calculate an average emission intensity for use as a covered EITE source's benchmark. That approach is not reasonably applied to establish ENTEK's benchmark. It would not produce a benchmark representative of ENTEK's operations. In fact, using the

average of our 2023-2025 emissions, ENTEK's source specific intensity benchmark would be much lower than the intensity of ENTEK's operations in most years.

Accordingly, setting ENTEK's benchmark from the simple average intensity from 2023-2025 would create a substantial compliance deficit for ENTEK in the very first (2028-2029) compliance period. ENTEK's compliance burden resulting from calculating the Oregon facility's emissions intensity using DEQ's default approach, as compared to a truly representative approach, is striking. Unless DEQ establishes a representative benchmark, ENTEK will face material compliance costs, ranging up to about $900,000 (or more) in just the first compliance period (2028-2029). ENTEK's first compliance period costs will balloon if ENTEK's benchmark intensity is set as DEQ has suggested but then, as is reasonably likely, the facility experiences productions levels in 2028-2029 akin to its production in 2020, 2021, 2022 or even 2023.[1] Of course, the costs to ENTEK resulting from starting with a non-representative benchmark will only continue to increase in subsequent compliance periods.

To avoid an immediate, unsustainable cost impact on our Oregon operation, we have proposed that DEQ set ENTEK's benchmark intensity at the level the facility actually experienced in 2020. Because that was the highest annual intensity value experienced at the facility since 2020, setting the intensity benchmark based on 2020 fairly reflects the real variation in year-over-year intensities experienced at the Oregon facility, which results primarily from production level changes.

Alternately, if DEQ insists on applying the average intensity from a period of three years to set a benchmark, that benchmark must include an adjustment of at least 2 standard deviations. Adding at least 2 standard deviations from an average is critical because no three-year period average, by itself, captures the normal production level swings inherent in operating our Oregon facility.

ENTEK's operations in 2024 illustrate how no single three-year period average accurately reflects the extent of the facility's normal production fluctuations. In 2024, a catastrophic fire at a competitor's facility and tariff-driven demand spikes created a significant production increase. That short-term production increase materially affected the Oregon facility's emissions intensity in 2024, causing the facility's intensity to drop to its lowest level since 2020. But that does not reflect the range of the facility's actual operating intensity during its operation over those years or going forward.

[1] ENTEK's estimates reflect what it would cost ENTEK to purchase enough inflation-adjusted CCI credits to address the projected compliance instrument shortfall the facility would face in the program's very first compliance period for EITEs.

ENTEK's increased operations in 2024 (and 2025) also render the three-year period between 2023-2025 uncharacteristic of the facility's normal fluctuations in production and emissions intensity. Accordingly, if DEQ requires evaluation of average intensity over a three-year period to set a benchmark, in addition to adding at least 2 standards deviations to that average, DEQ should allow a covered EITE source to select which 3-year period is most representative. In ENTEK's case, since 2017 (the first year DEQ used to establish the CPP emissions cap), any three-year period other than 2023-2025 is more representative of the facility's operating intensity.

To summarize, it is imperative that the EITE rule, and accompanying intensity benchmark, adequately accommodate for fluctuations in our annual production levels, and therefore our emission intensity, that result from global market conditions outside of ENTEK's control. DEQ's leaning toward applying the simple average intensity from 2023 through 2025 would not achieve that objective for ENTEK's Oregon facility.

2. Reduction Schedule Adjustment

ENTEK supports DEQ's development of a predictable, administratively efficient approach for a covered EITE source to apply for and receive a reduction schedule adjustment when further reductions are not technically or economically feasible.

DEQ has suggested that it may limit each adjustment to a single compliance period and require a source to reapply every two years. ENTEK urges DEQ to reconsider those suggestions.

DEQ's RAC 2 policy memo suggests reapplication for extending the reduction schedule adjustment should be "relatively straightforward if conditions haven't changed." We are concerned that this underappreciates the compliance burden and need for operational certainty in a global market that demands longer term supply agreements. A full reapplication every two years would require the same comprehensive analysis as the initial application (emissions reduction measures, economic assessments, energy impacts, and implementation timelines) while a facility is simultaneously managing compliance obligations, production demands, and capital planning.

More significantly, requiring EITEs to seek and obtain DEQ's approval to extend a reduction schedule adjustment every two years leaves EITEs in a perpetual state of material business uncertainty and risk. It is not good business to maintain or further invest in an operation when it is unknown, from two-year compliance period to compliance period, whether DEQ will agree that a previously approved reduction schedule adjustment remains warranted.

The proposed two-year adjustment timeline also does not fit the scope or timeframe for work needed for a covered EITE source to actually implement any feasible intensity reduction project that may become available. Capital projects require budget approval, engineering, permitting, procurement, and installation. That process cannot be completed in two years; it takes at least five years and often longer to implement such projects in Oregon. Accordingly, a two-year adjustment timeframe does not align with that reality, and instead creates significant business-investment uncertainty and unnecessary workload for the agency.

For these reasons, we propose DEQ issue reduction schedule adjustments for a minimum of three compliance periods. Moreover, any adjustment schedule mechanism should be paired with an extension application process modeled on Oregon's air permitting framework, operating as follows: The pause remains in effect for the entire period DEQ has not acted on a pending extension application. If DEQ fails to act within a compliance period, the pause automatically extends for at least one additional compliance period. If DEQ denies the application, the pause continues through at least the end of the following compliance period. If DEQ approves, the pause continues for an additional three compliance periods subject to the same process.

In addition, DEQ's reduction schedule adjustment criteria must be clear, objective and attainable. Two related points on this are worth emphasis: First, the absence of a commercially available and demonstrated technology should itself be a sufficient basis for regulatory relief. Second, it would be unfair and contrary to DEQ's stated objective for the EITE rule for DEQ to treat compliance instruments previously issued to, or held by, a covered EITE source as basis against which to evaluate the cost-effectiveness or economic feasibility of any project evaluated for its potential to achieve further reductions.

Finally, we notice that DEQ's RAC 2 memo suggests at least one compliance period with reductions may be required before an EITE could apply for adjustment, meaning the earliest an adjustment could issue is for the 2032-33 compliance period. For ENTEK, the structural barrier to further intensity reductions is the continuous operation of its mandated control systems, which requires use of two natural gas-fired boilers for which no alternative technology is available. It would be contrary to DEQ's stated objectives for the EITE rule to require a facility like ENTEK's to incur a compliance instrument shortfall and material compliance costs for any amount of time to run emissions control equipment otherwise required by law. DEQ should allow EITEs to apply for adjustments as soon as the EITE rule is adopted into law.

3. Production Downturns

DEQ has not yet provided its policy leaning on protecting EITEs experiencing significant production downturns. For ENTEK, a downturn's inverse effect on annual facility-wide emission intensity is a documented pattern, which will have direct compliance consequences for ENTEK under CPP. Accordingly, the final EITE rule must address the production downturn issue.

As noted above, approximately 90% of ENTEK's GHG emissions come from two boilers that ENTEK's air permit requires remain operational regardless of the facility's production volume. When production drops due to market conditions outside our control, our boilers cannot scale down proportionally. The result is a mechanically higher intensity metric produced entirely by external circumstances, with no change in ENTEK's operational practices or efficiency. Compliance deficits generated by external market shocks should be treated differently from deficits generated by operational underperformance.

DEQ's memo outlines five approaches. Option 4 (a discretionary reserve pool) and Option 5 (a minimum distribution floor regardless of intensity) would most directly address ENTEK's situation and deserve the most serious consideration. Whatever option is pursued, ENTEK requests that DEQ develop objective, clearly defined triggering criteria for when an EITE will receive compliance relief during periods of significant or prolonged production downturns.

As a concrete mechanism, we recommend that, during a production downturn, DEQ distribute the greater of (1) the ordinary intensity-based allocation using actual production, or (2) an amount sufficient to cover actual covered emissions, capped at the mass-emissions level that would have occurred at production levels used to set the facility's applicable benchmark, applying the current reduction factor. This approach preserves the program's expected emissions reduction outcomes while preventing a compliance instrument shortfall caused solely by an EITE's reduced utilization.

4. Mandated Environmental Control System Emissions

Again, approximately 90% of ENTEK's GHG emissions come from boilers producing process steam for our solvent recovery and carbon bed emissions control systems, operation of which is required by our DEQ-issued Title V permit and Cleaner Air Oregon. These emissions do not respond to efficiency improvements and do not scale with production volume. They are the emissions resulting from air permit-required control equipment, not of discretionary energy use.

ENTEK does not believe it is reasonable for DEQ to require ENTEK to operate mandated air pollution control systems under one regulatory framework and then penalize ENTEK for the resulting emissions under another. Stated differently, if DEQ issued ENTEK a source-specific benchmark that includes intensity resulting from its mandated pollution control equipment, that does not accurately measure ENTEK's carbon performance.

This is not a theoretical tension. Washington's Department of Ecology reached a compatible conclusion in its March 2026 technical analysis, finding that certain air pollution control measures carry a trade-off with greenhouse gas emissions, and that a policy assuming greenhouse gas reductions reliably produce criteria pollutant benefits risks disincentivizing projects that specifically target criteria air pollutant emissions.(Washington Department of Ecology, Facility-Specific Greenhouse Gas Emissions Caps: Evaluation of this Policy and its Potential Application to Washington's Cap-and-Invest Program, Publication 26-14-022 (March 2026), at 23.)

By law, ENTEK cannot simply alter or reduce its pollution control equipment to accommodate GHG reductions; accordingly, through the EITE rule, DEQ should align the CPP to achieve the twin objectives of protecting air quality while achieving feasible GHG emission reductions. It is infeasible to expect ENTEK to reduce GHG emissions from the equipment that DEQ requires be operated for pollution control purposes, especially where no alternatives to that equipment are available. Accordingly, ENTEK urges DEQ to shape the EITE rule so that it does not penalize our Oregon operation for following its legal obligations and protecting public health.

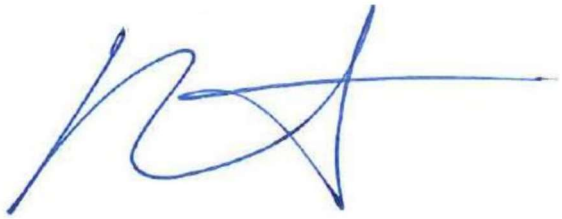
Excluding mandated control system emissions will not weaken the CPP. It will align the CPP with DEQ's efforts to address other regulated pollutant emissions, and focuses the program on emissions that EITE's can lawfully actually influence.

Conclusion

DEQ has stated that its primary goal for the EITE rule is to avoid emissions and economic leakage. The regulatory adjustments proposed in this letter are how that goal is achieved in practice for a facility like ENTEK. Unless DEQ makes adjustments to its CPP program leanings for EITEs, as outlined here, we are concerned that the program will drive production out-of-state, eliminate Oregon jobs and relocate emissions to jurisdictions with weaker standards. ENTEK is committed to partnering with DEQ in developing a CPP framework for EITEs that avoids that unacceptable result, and puts EITEs in position to help achieve Oregon's climate goals without compromising trade-exposed manufacturing in the state.

We welcome further discussion and look forward to continued engagement as the rulemaking advances.

Respectfully submitted,



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POSSIBILITIES IN POTATOES

August 20, 2026

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Re: Climate Protection Program EITE Rulemaking – 2nd meeting

Dear Ms. Singh:

Please accept the below input on the Department of Environmental Quality's (DEQ) Climate Protection Program (CPP) EITE Rulemaking. DEQ held the second CPP Rulemaking Advisory Committee (RAC) meeting on July 29, 2026, and posed several questions to RAC members that will inform the rulemaking. Lamb Weston, Inc (Lamb Weston) appreciates the opportunity to participate on the RAC and to provide input on the questions DEQ posed during the RAC meeting.

Lamb Weston has three production facilities in Oregon that have been identified as a covered emissions-intensive, trade-exposed (EITE) source under DEQ's CPP. As a manufacturer of frozen food products, demand for Lamb Weston's products is heavily market driven, which in turn impacts its production and associated air emissions.

Emission Intensity Benchmarks

1. Is there something non-representative about the most recent years of 2023-2025 when it comes to assessing the current state of production at an individual source or across multiple sources?

Emissions between 2023-2025 may not be representative for all EITE sources covered under the CPP. EITEs should be able to request a wider range of data be used in the development of the baseline if the sources have adequate reasons, such as, capital outages, production downturns, mechanical issues, etc. between 2023-2025 that would make the data not representative of the source's emissions. If DEQ is only going to evaluate emissions and production data between 2023-2025, the maximum intensity during this very short period should be used to establish the baseline.

Another notable point is that using only the three most current years penalizes earlier adopters/implementers of GHG reduction technology/projects.

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2. Should DEQ incorporate more recent emissions data than 2025 in the benchmarks? What might the advantages or disadvantages be of using the most recent emissions data year, like 2026, in the benchmark?

As noted above, a three-year baseline period is very short and may not be representative of a source's emissions. Using data from at least five representative years provides a better baseline for sources to start the program with. Sources should be able to request a wider range of data be used in the development of the baseline including 2026.

Reduction Schedules

1. Should any reductions start before the 2030-31 compliance period? Why or why not?

No, as noted in your memo, reductions should not be required prior to the 2030-31 compliance period to allow sources more time to identify and implement emission reduction strategies. Most sources require time to plan, fund, and implement capital improvements needed to achieve emission reductions. Further, many of the anticipated reductions will require switching from natural gas fired equipment to electrification. The ability to obtain transformers and other power transmission equipment will cause significant delays in project execution given the current lead time on this equipment. In addition, this assumes there will be excess power which may not be realistic given the current energy needs in the state. Not requiring reductions before the 2030-31 compliance period provides sources with the necessary time and insight to plan accordingly.

2. What are your thoughts on an annual reduction of between 1-2.5% for all EITE sources? Does this approach adequately incentivize emission reductions at EITE sources while allowing for production growth?

An annual reduction in the emission intensity baseline between 1 – 2.5% is not achievable for all EITE source. Any reduction percentage should be based on the compliance period. It will take time to implement changes and evaluate the impacts of those changes. To prevent against leakage and to align with Washington's Climate Commitment Act, DEQ should adopt a similar reduction (e.g., a 3% reduction over a four-year period or a 1.5% reduction if the compliance periods are two year). It remains Lamb Weston's position that EITEs should be subject to reductions every other compliance period to allow EITE time to make additional changes. Every two years is not enough time for EITEs to make improvements and will simply result in most EITE reducing production or forcing EITEs to purchase community climate investment credits.

Adjustments to Reduction Schedules

1. What are your thoughts on a reduction schedule adjustment process? What do you see as the potential advantages or disadvantages of DEQ's proposed approach?

A reduction schedule adjustment is necessary for this program to be successful and to prevent leakage.

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The reduction adjustment process needs to be timely reviewed and approved by DEQ. A timeline for the review and approval process needs to be limited to 6 months, as sources will not have time to implement change during a two-year compliance period if a reduction adjustment is not approved by DEQ.

2. If DEQ creates a reduction schedule adjustment process, what should sources be required to demonstrate to be eligible? Should any parts of the application require outside certification?

A reduction schedule adjustment should be based on a facility-provided engineering and economic feasibility assessment. A source may provide such analysis that provides the technological and economical feasibility of additional carbon reduction opportunities and request a reduction schedule adjustment based on the results of such analysis. Forcing EITE's to reduce beyond what is technologically or economically feasible will lead to leakage and economic impact to the state.

The rules also need to allow an EITE to adjust the benchmark or reduction schedule if the assumptions used to establish the benchmark change. For example, an EITE may be relying on an adjacent facility to provide certain utilities (e.g., steam, power) and that was factored into that EITE's benchmark. A change in the adjacent facility's operations could result in the benchmark for the EITE increasing regardless of whether there is any impact on production. The impacts of climate change could also result in changes to the benchmark if the EITE is required to install new natural gas fired equipment. For example, having to recycle more water due to water shortages or due to extreme weather changes.

Requiring 3rd party certification will take more time, and it will be another significant cost to sources.

3. If DEQ creates a reduction schedule adjustment process, what should an analysis of potential reductions include? Are there items missing from the list above, or are items unnecessarily included?

The reduction schedule applications should be source specific evaluations that evaluate the feasibility of that source to reduce carbon emissions further. Unless publicly available, sources may not have information on the reduction strategies that were implemented at other facilities that are conducting similar operations. DEQ should not be able to use another source's reduction strategy to deny a request for a reduction schedule adjustment. Infrastructure and feasibility needs could be substantially different between facilities based on site location, age of facility, resource availability (steam, gas, power, etc.) and overall implementation roadblocks.

The application should not be overly complicated on what criteria must be met but rather a formal evaluation of the limitations on further reducing emission sources.

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4. Should any potential adjustments apply only to the forthcoming compliance period, or should DEQ have the discretion to include a longer adjustment, perhaps up to four years? What might the advantages or disadvantages of providing DEQ with this level of flexibility?

DEQ should allow for the adjustments to last longer than the two-year compliance periods. Sources will be required to perform in-depth evaluations to apply for an adjustment which will use time and resources to perform. This process needs to be manageable by sources (and DEQ) and not cause additional burden to perform every two years if technology or other advancements are not available or developed. A reduction schedule adjustment application every four years is more appropriate.

Significant Production Downturns

1. Should DEQ consider a different method for distributing compliance instruments to an EITE if there has been a significant production downturn? Why or why not?

Yes. As DEQ recognized, there could be situations where a facility's emissions could be substantially greater than the compliance instruments that would be issued based on the emission intensity benchmark and production. In those situations, DEQ should issue compliance instruments based on the greater of: (1) the emission intensity benchmark multiplied by actual production for that year or (2) the reported covered emissions for that year. This will minimize the potential for a facility to be penalized (having more compliance obligations than compliance instruments) due to an unexpected significant production downturn. If the facility is subject to a reduction in the emission intensity value, that same percent reduction can be applied to the amount of compliance instruments received based on the facility's reported covered emissions for that year. For example, if the facility's reported covered emissions are 20,000 metric tons and the facility was subject to a 3% reduction, the facility would receive 19,400 compliance instruments. Requiring EITEs to purchase community climate investment credits during economic hardship is not the right approach and would likely lead to significant loss of manufacturing in the State.

1. What would be the process for determining whether a reduction in production was significant enough to use an alternative distribution approach?

This process could align with the process discussed above in the "adjustment to reduction schedule" application process. However, rather than an engineering document, this would be an identification of the change in production and correlation with emission intensity and actual covered emissions from the facility. Other factors that could influence emissions intensity would have to be evaluated, but in many industries, it should be relatively clear to connect emission intensity with production throughput and actual emissions. As noted above, the alternative distribution approach would only be triggered when the facility's actual covered emissions were greater than calculated emissions - emissions intensity benchmark multiplied by actual production.

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2. If yes, should it be one of the approaches discussed above or another? What are the benefits and disadvantages of the different approaches?

The approaches of creating a separate compliance reserve or allowing for a minimum distribution of compliance instruments based on actual covered emissions regardless of emissions intensity and production are both viable options and could prevent significant economic hardship.

Lamb Weston supports the use of a process for situations where production is in a downturn, but the facility still has covered emissions to provide sources with the opportunity to perform an analysis and provide the necessary data to show that the downturn was outside their reasonable control. Allowing for an alternative compliance instrument distribution process would also reduce the financial burden on the source to purchase additional CCI credits during a downturn when income is typically financially impacted.

DEQ cannot rely on the availability of compliance instruments from other EITEs or covered fuel suppliers. It is likely that most covered sources will not sell excess instruments as they will be banking those extra instruments for future use and, even if such instruments were available for purchase, it is not reasonable to believe that that the cost to purchase compliance instruments from another covered source would be significantly less than the set purchase price for CCI credits. Further, requiring EITEs to purchase compliance instruments or CCI credits during a period of unanticipated downturn defeats the entire purpose of the EITE protections. Requiring EITEs to purchase compliance instruments or CCI credits to make up any short fall is not a viable option.

Privacy of Production Data

1. Are there approaches DEQ should consider for those interested in keeping production numbers confidential?

The fact that members of the public could estimate total production based on reported benchmarks and facility emissions does not mean the production data provided by sources is not trade secret information protected from public disclosure under ORS 192.345.

DEQ must include a process that allows sources to submit production data to DEQ as confidential business information while also providing a redacted version for public disclosure. In Washington, Lamb Weston has established (and re-confirms annually) with the Department of Ecology that production data should be treated as confidential. This process has been used to prevent disclosure of production data in submittals required under certain environmental permits.

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The protection of confidential business information extends well beyond production data and should include information that identifies economic viability/feasibility of projects and assessments as part of the reduction schedule adjustment process and other processes that allow competitors visibility to the inner business economics that underpin the viability of a business.

Washington has considered this specifically in the Climate Commitment Act, Oregon must do the same.

2. Is an option of a mass-based benchmark and reduction schedule a worthwhile compromise that could provide assurance of keeping production data confidential while losing the function of expanding allocation to sources whose production levels have increased?

Providing this option could be viable for some industries if sources determine that their emissions intensity is not directly correlated with production. However, this approach should only be used for sources who submit a formal request. Except as noted above in situations where a significant downturn in production would result in a source receiving less compliance instruments than its covered emissions, this approach should not be used across the program as it would limit the ability of sources to grow while maintaining the emission intensity benchmark

3. DEQ is considering presenting the proposed unit of production or process for each EITE source, without a specific benchmark number, at the next advisory committee meeting. What might be advantages or disadvantages of doing this? Do you have any concerns?

Only if the unit of production or process is presented without exposing trade secret or confidential business information. This would provide sources an idea of the unit that DEQ is considering for their benchmark.

Use of Community Climate investment (CCI) Credits

1. Should DEQ increase the 20% limit on using CCI credits for EITEs? If so, to what percentage, and why?

Placing an artificial limit on the amount of CCI credits that can be purchased to demonstrate compliance seems counterproductive if the CCIs are, in fact, reducing emissions. However, the extremely high cost of CCIs makes it infeasible for most EITEs to rely solely on this approach.

2. Should any increase be available anytime, or only under certain conditions?

See above.

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CCI credits should not have a time limit. Unused CCI credits, if any, should be able to be used by the source and banked indefinitely or sold as long as a source is still actively in the program and is not under an adjusted reduction schedule.

Program Review and Evaluation

1. Is there any additional program data on EITE implementation that should be included in the annual report to the EQC or the five-year program review? If yes, what information and why?

DEQ should provide details of program implementation to the EQC for review, particularly noting constraints or issues related to infrastructure development, technology readiness, economic impacts, and CCI distribution entity progress in converting CCI dollars into direct carbon reduction projects.

The 2018 Vivid Economic Report that evaluated carbon pricing on Oregon industries highlights two critical factors that are needed for future reviews of the program, which are:

- *Investigate the availability and cost of emissions reduction options to inform future cap-and-trade phases.*
- *Gather more granular trade data to refine the targeting of EITE sectors.*

The cost of reduction options as well as the technology infrastructure needed to implement emission reduction are both critical inputs that need to be evaluated in future years to understand the viability of this program. The compliance period emission reductions may need to be reevaluated as infrastructure and electrical demand in future years may be limited to achieve the program needs.

DEQ and the EQC also need to understand the trade data impact of the program to evaluate and refine the EITE reduction targets by sources to prevent leakage and keep Oregon's economy functioning.

Conclusion

Lamb Weston appreciates the opportunity to respond to the questions DEQ posed during the recent RAC meeting and asks that DEQ take its responses into consideration when finalizing the CPP emission intensity rulemaking. Please contact me if you have any questions about Lamb Weston's comments.

Sincerely,

Carl Coombes
VP Manufacturing

Lamb Weston Proprietary

August 28, 2026

Mr. Evan Manvel
Department of Environmental Quality
Climate Protection Program
700 NE Multnomah St., Suite 600
Portland, Oregon 97232-5263

Re: PCC Structurals' Comments on Climate Protection Program EITE Rulemaking Advisory Committee Meeting 2

Dear Mr. Manvel,

PCC Structurals, Inc. ("PCC") is writing in response to the questions raised by Oregon Department of Environmental Quality ("DEQ") during the July 29, 2026, Climate Protection Program ("CPP") EITE Rulemaking Advisory Committee ("RAC") 2 meeting and DEQ's related RAC 2 Policy Memo.

PCC was founded in Oregon more than 70 years ago. PCC has grown into a global company, but we proudly remain a strong employer across Oregon. Today, our Oregon operations include four investment casting facilities located in the central and western parts of the state. Our Oregon facilities employ over four thousand talented individuals in living-wage jobs that manufacture high-precision investment castings. PCC's castings are used in critical applications such as jet aircraft engines, airframes, energy turbines, U.S. military equipment, and medical prosthetic devices.

All four of our Oregon casting operations are emissions-intensive and trade exposed. Accordingly, PCC agrees with DEQ's definition of its casting operations as within an EITE industrial sector under the CPP rules. Investment casting is an energy intensive process that relies on significant heat and energy to prepare ceramic shells, melt metal, and finish parts. At present, there are no alternatives to the essential, gas-fired equipment used at the facilities, such as their burnout ovens and oxidizers used for emissions control.

Our investment casting facilities are, likewise, trade exposed. The facilities operate under one company, as a single business unit, in a global marketplace with sophisticated competitors eager to claim PCC's market share. In addition, our customers regularly require entry into long-term contracts to meet their requirements. Consequently, our ability to change our processes or set prices for our products is highly constrained. We cannot dictate that our customers pay increased prices due to regulatory choices made in Oregon or any other jurisdiction. Accordingly, to maintain our ability to compete and meet our contractual obligations to our customers, PCC operates facilities around the United States and internationally. PCC's operations in multiple jurisdictions help the company remain

positioned to respond to changing market and regulatory conditions.

Despite defining all four of PCC's Oregon operations as EITEs, at present, the CPP rules only regulate PCC's Larts Parts Campus ("LPC") facility as a covered EITE source. That is because LPC is the only one of PCC's four Oregon casting facilities with annual emissions in excess of 15,000 metric tons ("MT") of carbon dioxide equivalent ("CO2e").

Of the various policy issues raised in DEQ's RAC 2 meeting and RAC 2 Policy Memo, PCC is writing to request DEQ's attention to the two issues of greatest significance to our ability to continue to operate

competitively in Oregon under the CPP. Those issues include: (1) the critical need for the EITE rulemaking to cause CPP to regulate PCC, with its four facilities, as a single covered EITE source, or otherwise to protect PCC's EITE casting facilities that have lower emissions from the significant fuel price increases they will face under CPP; and (2) how representative emission intensity benchmarks should be established for covered EITE sources. These issues are discussed below.

(1) The EITE Rule Must Cover or Otherwise Protect All of PCC's Oregon EITE Facilities.

With the exception of LPC, PCC's Oregon foundries, even though they are also large EITE businesses, do not emit greenhouse gases in excess of 15,000 MT CO2e annually. As a result, DEQ's CPP rules do not directly regulate these facilities. Instead, the compliance obligation for those facilities' emissions from natural gas usage falls to the local distribution companies ("LDCs") delivering their natural gas.

PCC is greatly concerned about how this regulatory structure will affect its EITE investment casting facilities with lower annual emissions. While not directly regulated, these sources will pay increasingly higher natural gas prices, as the share of CPP allowances issued to LDCs declines. DEQ's CPP rules for LDCs do not recognize or seek to address the threats to the competitiveness of PCC's lower-emitting EITE facilities resulting from CPP. Using publicly available data from DEQ, Oregon's Public Utilities Commission and NW Natural, PCC has estimated that CPP costs will, from the outset, be materially (potentially up to 10 times) higher for PCC's three lower-emitting Oregon EITE facilities than if those facilities were directly regulated covered EITE sources.

Any such outcome will threaten PCC's overall ability to remain competitive in Oregon. All of PCC's Oregon EITE facilities operate as a single, integrated business unit. Placing any of PCC's Oregon EITE facilities under an unbearably high CPP regulatory cost and compliance structure will erode competitive advantage and jeopardize ongoing operations at all of those facilities. Although PCC operates three EITE investment casting facilities with annual emissions below the 15,000 MT CO2e threshold, that does not make those operations "small" from the perspective of their importance to PCC's in-state operations or Oregon's economy. Accordingly, DEQ's EITE rulemaking must consider CPP impacts on EITE sources with lower emissions, or risk the loss of these significant contributors to Oregon's economy.

As DEQ continues to develop the EITE rulemaking, PCC again urges DEQ to evaluate and propose safeguards to ensure the competitiveness of its Oregon EITE casting facilities that already keep emissions below "covered" levels. PCC specifically requests that DEQ regulate all four of PCC's casting facilities as a single covered EITE source. In so doing, DEQ would regulate the facilities under CPP in the same way in which PCC operates them — as part of one business unit of a single company competing in a global market. Alternatively, DEQ could explore other regulatory mechanisms to address leakage risk to lower-emitting EITE sources. Those might include distribution of lower-cost compliance instruments to LDCs to cover emissions from lower-emitting EITE sources. Or exemption of LDCs from requiring compliance instruments for emissions from lower-emitting EITE sources for periods in which those sources show that further reductions in emissions or intensity are not feasible.

(2) The EITE Rule Must Establish Representative Emissions Intensity Benchmarks.

DEQ has stated that it is considering setting a covered EITE source's intensity benchmark as the average intensity from 2023 through 2025. However, DEQ has acknowledged that the contemplated 2023-2025 data period will not be representative for every EITE source. DEQ's acknowledgment aptly describes the experience of LPC and that of PCC's other three Oregon investment casting facilities. The average of the years 2023 to 2025 does not capture the normal variations and fluctuations in emissions intensity experienced by those facilities. The average of those three years does not fully or fairly reflect the range of actual production conditions (and related emission intensity outcomes) that have occurred and are expected to recur at PCC's Oregon operations.

Consider LPC's experience; averaging the three years of data from 2023-2025 to establish LPC's intensity benchmark would not reflect the normal production and emissions variations and fluctuations over even that limited period of time, and would result in a benchmark that is significantly lower than the actual intensity of LPC's operation during most years over the past decade.

The average emissions intensity for LPC from 2023-2025 is 3.1 metric tons CO2e per ton of metal poured. 2025 represented a more efficient year due in part to higher-than-average production (partly attributable to short-term demand increases following the COVID pandemic) and a mild winter. In contrast, LPC's highest emissions intensity since 2020 is 3.9 metric tons CO2e per ton of metal poured (2022). The difference in these relative intensities (3.1 versus 3.9) is wholly attributable to the normal variations and fluctuations (e.g., pandemic-related supply chain disruptions, weather, customer demand) entirely outside PCC's control.

We evaluated what the CPP could require of LPC during 2028-2029, the first compliance period for EITEs. Specifically, we analyzed what LPC's compliance obligation would be if the facility's benchmark intensity was set at the average from 2023-2025. Our analysis assumes that during 2028-2029, as is entirely plausible, LPC will again have production levels similar to the two-year period from 2021-2022. In that scenario, from the very outset, LPC would receive significantly fewer compliance instruments

than it would need to meet its CPP compliance obligation. Specifically, LPC would fall about 6,400 instruments short in the program's very first compliance period for EITEs, during which DEQ has stated that no emission reductions should be required.

To purchase the required amount of CCI credits to address that shortfall, assuming the average CCI credit cost updated for inflation, LPC's cost of compliance would be over $890,000 in just the two years between 2028 and 2029. Notably, this example is not even the foreseeable worst-case scenario for LPC. As previously stated, in 2022, LPC's emission intensity was 3.9. If LPC's benchmark intensity was improperly set at the simple average from 2023-2025, and LPC experienced production similar to 2022 in the first compliance period, PCC's CPP compliance costs for LPC would surge to well over $1,000,000 in the very first two-year period in which EITE source emissions are regulated.

As demonstrated, setting LPC's benchmark by applying a simple average intensity from 2023 through 2025 would subject LPC to high compliance costs beginning in 2028. That is because the 2023-2025 dataset does not reflect the normal and experienced variability in facility production and emissions. Short of curtailing operations by 2028, there is simply no other way that LPC could plan for or take actions in time to avoid the high compliance costs the facility will immediately face if DEQ sets the facility's intensity benchmark as the simple average from 2023-2025.

For these reasons, PCC requests that DEQ set LPC's emissions intensity baseline based on data from 2022. PCC is proposing to use that emission intensity value as the CPP benchmark because 2022 was not an atypical year for LPC in terms of production and operations, and the resulting emission intensity value is representative of normal operations.[1]

If DEQ continues to lean to a three-year period, then it should allow the use of the highest average three-year emissions intensity since at least 2020 (PCC prefers an even longer lookback period) plus at least one standard deviation. This method would better account for the normal annual variations and fluctuations in emissions intensity that PCC's facilities have and will continue to experience. Adding one

or more standard deviation would reintroduce and capture the variations that are eliminated when applying an average value. Note that PCC's benchmark intensity for LPC would remain 3.9 MT CO2e per ton of metal poured under this approach (as 3.9 MT CO2e is also the average of 2020-2022 plus a standard deviation of 0.2).

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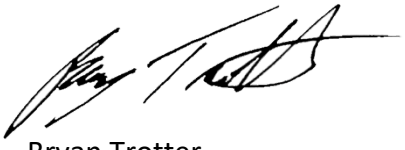
PCC appreciates DEQ's leadership in advancing policy to reduce Oregon greenhouse gas emissions. PCC is committed to working with DEQ to identify and pursue feasible reductions. However, as DEQ continues to pursue this rulemaking, it is essential for DEQ to recognize that PCC's Oregon EITE

[1] PCC proposes to separately work with DEQ to identify representative time periods from which to set intensity benchmarks for PCC's other three casting facilities.

facilities, which are not significant contributors to Oregon's overall greenhouse gas emissions, combine as an integrated business unit providing important contributions to the state's economy and infrastructure.

Thank you for your consideration of PCC's proposed recommendations to ensure that the CPP EITE rule will maintain PCC's competitiveness in Oregon, protecting important manufacturing jobs, and avoiding leakage.

Regards,



Bryan Trotter
Senior Director EHS

cc: Colin McConnaha
Nicole Singh
Amy Schlusser
Kathy Hyzy