State of Oregon
DEQ Department of Environmental Quality

Climate Protection Program EITE

Draft Rules – Edits Highlighted

Key to identifying changed text:

- ~~Deleted Text~~
- **New/inserted text**

Division 273
OREGON CLIMATE PROTECTION PROGRAM

340-273-0020
Definitions

The definitions in OAR 340-200-0020, OAR 340-215-0020, and this rule apply to this division. If the same term is defined in this rule and either or both OAR 340-200-0020 and OAR 340-215-0020, the definition in this rule applies to this division. If the same term is defined in OAR 340-200-0020 and OAR 340-215-0020, but not in this rule, then the definition in OAR 340-215-0020 applies to this division.

(1) “Air contamination source” has the meaning given the term in ORS 468A.005. Air contamination sources include, without limitation, stationary sources, fuel suppliers, in- state fuel producers, and local distribution companies.

(2) “Biomass-derived fuels” has the meaning given the term in OAR 340-215-0020. Biomass-derived fuels include, without limitation, biomethane, biodiesel, renewable diesel, renewable propane, woody biomass, and ethanol.

(3) “Cap” means the total number of compliance instruments generated by DEQ for each calendar year.

(4) “Climate Protection Program permit” or “CPP permit” means a permit issued to a covered entity according to this division.

(5) “Community climate investment credit” or “CCI credit” or “credit” means an instrument issued by DEQ to track a covered entity’s payment of community climate investment funds, and which may be used in lieu of a compliance instrument, as further provided and limited in this division.

(6) “Community climate investments,” “community climate investment funds” or “CCI funds” means money paid by a covered entity to a community climate investment entity to support implementation of community climate investment projects and any interest that accrues on the money while it is held by a CCI entity or subcontractor.

(7) “Community climate investment entity” or “CCI entity” means a nonprofit organization that has been approved by DEQ as a CCI entity and that has entered into a written agreement with DEQ

consistent with OAR 340-273-0920 to implement projects supported by community climate investment funds.

(8) “Compliance instrument” means an instrument issued by DEQ that authorizes the emission of one ~~MT~~ **metric ton** CO2e of greenhouse gases.

(9) “Compliance obligation” means the total quantity of covered emissions from a covered fuel supplier rounded down to the nearest metric ton of CO2e.

(10) “Compliance period” means a period of multiple consecutive calendar years, as described in OAR 340-273-0440.

(11) “Covered direct natural gas source” or “Covered DNG source” means an air contamination source as described in OAR 340-273-0110(6).

(12) “Covered EITE source” means an air contamination source as described in OAR 340-273-0110(5).

(13) “Covered emissions” means the greenhouse gas emissions described in any of subsections OAR 340-273-0110(3)(b), (4)(b), (5)(b), and 6(b) for which covered entities may be subject to the requirements of this division.

(14) “Covered entity” means an air contamination source subject to the requirements of this division. A covered entity may be one or more of a covered fuel supplier, a covered EITE source, or a covered DNG source.

(15) “Covered fuel supplier” means an air contamination source that is one or more of the following:

(a) A fuel supplier or in-state producer as described in OAR 340-273-0110(3); or

(b) A local distribution company as described in OAR 340-273-0110(4).

(16) “Designated representative” means the person responsible for certifying, signing, and submitting any registration, report, or form required to be submitted according to this division, on behalf of a covered entity. For the owner or operator of a covered entity with an Oregon Title V Operating Permit, the designated representative is the responsible official and certification must be consistent with OAR 340-218-0040(5).

(17) “Direct natural gas source” or “DNG source” means a stationary source that **is not an EITE source and** uses natural gas distributed to the source by an entity other than a local distribution company.

(18) “Emissions-intensive and trade-exposed source” or “EITE source” means a stationary source engaged in a sector described in OAR 340-273-9000 Table 7.

(19) “Eligible projects” means projects undertaken by a CCI entity that reduce anthropogenic greenhouse gas emissions as described in OAR 340-273-0900(2)(a).

(20) “Environmental justice communities” means communities of color, communities experiencing lower incomes, communities experiencing health inequities, tribal communities, rural communities, remote communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including seniors, youth and persons with disabilities.

(21) “Nominal electric generating capacity” has the meaning given in ORS 469.300.

(22) “Shut down” means that all operations of a covered entity are permanently shut down, including but not limited to decommissioning and cancelling air permits. Permanent shutdown may include continued operations of space heaters and water heaters as necessary to support decommissioning activities.

Statutory/Other Authority: ORS 468.020, 468A.025, 468A.040 & 468A.050
Statutes/Other Implemented: ORS 468.020, 468A.025, 468A.040, 468A.050, 468.035, 468A.010, 468A.015 & 468A.045
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340-273-0110
Covered Entity and Covered Emissions Applicability

(1) Calculations of covered emissions, compliance obligations, and distribution of compliance instruments will be based on emissions data and information submitted in accordance with this rule and in emissions data reports submitted by a person described in this rule and required according to OAR chapter 340, division 215, which may be subject to verification according to OAR chapter 340, division 272. For any person that does not submit sufficient information in compliance with OAR chapter 340, divisions 215 and 272, calculations will be informed by additional best data available to DEQ. For any person that has not registered and reported according to division 215, such calculations will be based on the best data available to DEQ, following all reporting requirements and assumptions that would be applicable had the person reported according to that division.

(2) A covered entity is subject to the requirements of this division for its covered emissions described in this rule. A person remains a covered entity until cessation is met according to OAR 340-273-0130.

(3) Applicability for fuel suppliers and in-state fuel producers. A person is a covered fuel supplier if the person is described in subsection (a) and has annual covered emissions described in subsection (b) in any applicability determination calendar year that equal or exceed the threshold for applicability listed in Table 1 in OAR 340-273-9000. All persons that are related entities must aggregate their emissions together to determine applicability and each becomes a covered fuel supplier if applicability is met. When applicability is met, each person is a covered fuel supplier beginning with the calendar year a person becomes a covered fuel supplier, as provided in Table 1 in OAR 340-273- 9000. Once a person is a covered fuel supplier, the person remains a covered fuel supplier until the person has met the cessation requirements according to OAR 340- 273-0130.

(a) The person is a fuel supplier or in-state producer that imports, sells, or distributes fuel for use in Oregon, and is one or more of the following:

(A) A dealer, as that term is defined in ORS 319.010 that is subject to the Oregon Motor Vehicle and Aircraft Fuel Dealer License Tax in OAR chapter 735, division 170;

(B) A seller, as that term is defined in ORS 319.520, that is subject to the Oregon Use Fuel Tax in OAR chapter 735, division 176;

(C) A person that produces, imports, sells, or distributes gasoline or distillate fuel oil for use in Oregon and that is not subject to the Oregon Motor Vehicle and Aircraft Fuel Dealer License Tax or the Oregon Use Fuel Tax in OAR chapter 735, divisions 170 and 176; or

(D) A person that either produces propane in Oregon or imports propane for use in the state.

(b) Except as provided in paragraph (B), covered emissions include emissions described in paragraph (A).

(A) Covered emissions include emissions of anthropogenic greenhouse gases in metric tons of CO2e that would result from the complete combustion or oxidation of the annual quantity of propane and liquid fuels (including, for example and without limitation, gasoline and petroleum products) imported, sold, or distributed for use in this state.

(B) Covered emissions do not include:

(i) Emissions that are from the combustion of biomass-derived fuels;

(ii) Emissions that are from the combustion of fuels used for aviation including, for example and without limitation, aviation gasoline, kerosene-type jet fuel, and alternative jet fuel;

(iii) Emissions described in 40 CFR part 98 subpart W – Petroleum and Natural Gas Systems; and

(iv) Emissions from fuels that have been used in a manner other than combustion or oxidization, and that does not result in material emissions of CO2e, if documented in information provided to DEQ.

(4) Applicability for local distribution companies. A person is a covered fuel supplier if the person is described in subsection (a) and has annual covered emissions described in subsection (b) in 2020 or any subsequent calendar year, unless the person has met the cessation requirements according to OAR 340-273-0130.

(a) The person is a local distribution company that either produces natural gas, compressed natural gas, or liquefied natural gas in Oregon, or that imports, sells, or distributes natural gas, compressed natural gas, or liquefied natural gas to end users in the state.

(b) Except as provided in paragraph (B), covered emissions include emissions described in paragraph (A).

(A) Covered emissions include emissions of anthropogenic greenhouse gases in metric tons of CO2e that would result from the complete combustion or oxidation of the annual quantity of natural gas imported, sold, or distributed for use in this state.

(B) Covered emissions do not include:

(i) Emissions that are from the combustion of biomass-derived fuels;

(ii) Emissions described in 40 CFR part 98 subpart W – Petroleum and Natural Gas Systems;

(iii) Emissions avoided where the use of natural gas results in greenhouse gas emissions captured and stored, if documented by information provided to DEQ under approved protocols;

(iv) Emissions from natural gas delivered to an air contamination source that is an electric power generating plant with a total nominal electric generating capacity greater than or equal to 25 megawatts; and

(v) Emissions from the combustion or oxidation of natural gas at a covered EITE source as described in section (5).

(5) Applicability for EITE sources. A person is a covered EITE source if the person is described in subsection (a) and has annual covered emissions described in subsection (b) in **any two consecutive years from** 2020 or **any subsequent calendar year** that equal or exceed 15,000 MT CO2e**.**

(a) The person owns or operates a source engaged in a sector described in OAR 340-273-9000 Table 7.

(b) Except as provided in paragraph (B), covered emissions include emissions described in paragraph (A).

(A) Covered emissions include all emissions of anthropogenic greenhouse gases in metric tons of CO2e, including without limitation, emissions from all uses of natural gas and solid fuels, from energy production, from industrial processes, and from any other processes.

(B) Covered emissions do not include:

(i) Emissions from the use of biomass-derived fuels;

(ii) Emissions from the use of liquid fuels or propane;

(iii) Emissions from an air contamination source that is owned or operated by an interstate natural gas pipeline and that is operating under authority of a certificate of public convenience and necessity issued by the Federal Energy Regulatory Commission;

(iv) Emissions from an air contamination source that is an electric power generating plant with a total nominal electric generating capacity greater than or equal to 25 megawatts.

(v) Emissions described in 40 CFR part 98 subpart HH – Municipal Solid Waste Landfills;

(vi) Emissions described in 40 CFR part 98 subpart TT – Industrial Waste Landfills; and

(vii) Emissions avoided where greenhouse gas emissions are captured and stored, if documented by information provided to DEQ under approved protocols;

(6) Applicability for direct natural gas sources. A person is a covered DNG source if the person is described in subsection (a) and has annual covered emissions described in subsection (b) in 2020 or any subsequent calendar year that equal or exceed 15,000 MT CO2e.

(a) The person owns or operates a stationary source that:

(A) Is not in a source classification described in OAR 340-273-9000 Table 7; and

(B) Uses natural gas distributed to the source by an entity other than a local distribution company.

(b) Except as provided in paragraph (B), covered emissions include emissions described in paragraph (A).

(A) Covered emissions include all emissions of anthropogenic greenhouse gases in metric tons of CO2e, including without limitation, emissions from all uses of natural gas and solid fuels, from energy production, from industrial processes, and from any other processes.

(B) Covered emissions do not include:

(i) Emissions from the use of biomass-derived fuels;

(ii) Emissions from the use of liquid fuels or propane;

(iii) Emissions from an air contamination source that is owned or operated by an interstate natural gas pipeline and that is operating under authority of a certificate of public convenience and necessity issued by the Federal Energy Regulatory Commission;

(iv) Emissions from an air contamination source that is an electric power generating plant with a total nominal electric generating capacity greater than or equal to 25 megawatts;

(v) Emissions described in 40 CFR part 98 subpart HH – Municipal Solid Waste Landfills;

(vi) Emissions described in 40 CFR part 98 subpart TT – Industrial Waste Landfills;

(vii) Emissions avoided where greenhouse gas emissions are captured and stored, if documented by information provided to DEQ under approved protocols; and

(viii) Emissions from natural gas, compressed natural gas, or liquefied natural gas used on site that was delivered by a local distribution company.

Statutory/Other Authority: ORS 468.020, 468A.025, 468A.040 & 468A.050
Statutes/Other Implemented: ORS 468.020, 468A.025, 468A.040, 468A.050, 468A.010, 468A.015, 468A.045 & 468.035
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340-273-0130
Cessation of Covered Entity Applicability

(1) Cessation for covered fuel suppliers.

(a) A person that is a covered fuel supplier as described in OAR 340-273-0110 remains a covered fuel supplier until the person receives written notification from DEQ after either or both:

(A) The person's annual covered emissions are 0 (zero) MT CO2e for six consecutive calendar years. If the person is not a local distribution company, the covered emissions of the person's related entities must also be 0 (zero) MT CO2e for the same six consecutive calendar years; or

(B) The person was designated a covered fuel supplier in OAR 340-273-0110(3), the sum of its annual covered emissions and the annual covered emissions of its related entities are less than 25,000 MT CO2e for six consecutive calendar years and the person applies to DEQ according to subsection (c).

(b) After a covered fuel supplier identified according to paragraph (a)(A) demonstrates compliance with compliance obligations for the years up to and including the years described in paragraph (a)(A), DEQ will notify the designated representative of the covered fuel supplier in writing that cessation is met.

(c) In order for cessation according to paragraph (a)(B) to take effect, a covered fuel supplier must apply to cease being a covered fuel supplier by submitting the following information to DEQ on a form approved by DEQ:

(A) Information about the covered fuel supplier, including:

(i) Name and full mailing address, and website; and

(ii) Designated representative's contact information including name, title or position, phone number, and email address;

(B) If the person is not a local distribution company information about each related entity required to report emissions according to OAR chapter 340, division 215, for each of the six consecutive calendar years, including legal name, full mailing address, and whether each is a covered fuel supplier and holds a CPP permit;

(C) Information about remaining requirements that must be met according to this division at the time the application is submitted to DEQ; and

(D) The following attestation, signed by the designated representative of the covered fuel supplier:

I certify under penalty of perjury under the laws of the State of Oregon that to the best of my knowledge and belief, the information provided in this form is true, accurate, and complete. [Covered fuel supplier] meets the eligibility for cessation as a covered fuel supplier according to Oregon Administrative Rules chapter 340, division 273. I understand that ceasing to be a covered fuel supplier means that [covered fuel supplier] will also cease to hold any compliance instruments and CCI credits.

(d) After the covered fuel supplier applying for cessation according to paragraph (a)(B) and subsection (c) demonstrates compliance with compliance obligations for the years up to and including the years described in paragraph (a)(B), DEQ will notify the designated representative of the covered fuel supplier in writing that the application for cessation is approved and that cessation is met.

(e) A person that ceases to be a covered fuel supplier according to this section must comply with all remaining applicable recordkeeping requirements of this division from the last date on which the person was a covered fuel supplier.

(f) When a person ceases to be a covered fuel supplier:

(A) The cessation does not change the compliance obligation for any year for which the person has already demonstrated compliance;

(B) Any remaining compliance instruments held by the person will be retired, held in reserve, or distributed by DEQ according to OAR 340-273-0430(3); and

(C) Any remaining community climate investment credits held by the person will be canceled according to OAR 340-273-0830(1)(c).

(2) Cessation for covered EITE sources.

(a) A person that is a covered EITE source as described in OAR 340-273-0110(5) remains a covered EITE source until the person receives written notification from DEQ after either or both:

(A) The person's annual covered emissions are 0 (zero) MT CO2e for six **four** consecutive calendar years; ~~or~~

(B) The person's annual covered emissions are less than 15,000 MT CO2e for six **four** consecutive calendar years and the person applies to DEQ according to subsection (c)**; or**~~.~~

(C) The person's annual covered emissions are less than 15,000 MT CO2e for four consecutive calendar years and DEQ determines the person will cease to be a covered EITE source.

(b) After a covered EITE source identified according to paragraph (2)(a)(A) **or 2(a)(C)** demonstrates compliance with compliance obligations for the years up to and including the years described in paragraph (a)(A), DEQ will notify the designated representative of the covered EITE source in writing that cessation is met.

(c) In order for cessation according to paragraph (2)(a)(B) to take effect, a covered EITE source must apply to cease being a covered EITE source by submitting the following information to DEQ on a form approved by DEQ:

(A) Information about the covered EITE source, including:

(i) Name and full mailing address; and

(ii) Designated representative's contact information including name, title or position, phone number, and email address;

(B) Information about remaining requirements that must be met according to this division at the time the application is submitted to DEQ; and

(C) The following attestation, signed by the designated representative of the covered EITE source:

I certify under penalty of perjury under the laws of the State of Oregon that to the best of my knowledge and belief, the information provided in this form is true, accurate, and complete. [EITE source name] meets the eligibility for cessation as a covered EITE source according to Oregon Administrative Rules chapter 340, division 273. I understand that ceasing to be a covered EITE source means that [EITE source name] will also cease to hold any compliance instruments and CCI credits.

(d) After the covered EITE source applying for cessation according to paragraph (a)(B) and subsection (c) demonstrates compliance with compliance obligations for the years up to and including the years described in paragraph (a)(B), DEQ will notify the designated representative of the covered EITE source in writing that the application for cessation is approved and that cessation is met.

(e) A person that ceases to be a covered EITE source according to this section must comply with all remaining applicable recordkeeping requirements of this division from the last date on which the person was a covered EITE source.

(f) When a person ceases to be a covered EITE source:

(A) The cessation does not change the compliance obligation for any year for which the person has already demonstrated compliance;

(B) Any remaining compliance instruments held by the person will be retired, held in reserve, or distributed by DEQ according to OAR 340-273-0430(3); and

(C) Any remaining community climate investment credits held by the person will be canceled according to OAR 340-273-0830(1)(c).

(3) Cessation for covered DNG sources.

(a) A person that is a covered DNG source as described in OAR 340-273-0110(6) remains a covered DNG source until the person receives written notification from DEQ after either or both:

(A) The person's annual covered emissions are 0 (zero) MT CO2e for ~~six~~ **four** consecutive calendar years.; ~~or~~

(B) The person's annual covered emissions are less than 15,000 MT CO2e for ~~six~~ **four** consecutive calendar years and the person applies to DEQ according to subsection (c)**; or**~~.~~

(C) The person's annual covered emissions are less than 15,000 MT CO2e for four consecutive calendar years and DEQ determines the person will cease to be a covered DNG source.

(b) After a covered DNG source identified according to paragraph (3)(a)(A) **or 3(a)(C)** demonstrates compliance with compliance obligations for the years up to and including the years described in paragraph (a)(A), DEQ will notify the designated representative of the covered DNG source in writing that cessation is met.

(c) In order for cessation according to paragraph (3)(a)(B) to take effect, a covered DNG source must apply to cease being a covered DNG source by submitting the following information to DEQ on a form approved by DEQ:

(A) Information about the covered DNG source, including:

(i) Name and full mailing address; and

(ii) Designated representative's contact information including name, title or position, phone number, and email address.

(B) Information about remaining requirements that must be met according to this division at the time the application is submitted to DEQ; and

(C) The following attestation, signed by the designated representative of the covered DNG source:

I certify under penalty of perjury under the laws of the State of Oregon that to the best of my knowledge and belief, the information provided in this form is true, accurate, and complete. [DNG source name] meets the eligibility for cessation as a covered DNG source according to Oregon Administrative Rules chapter 340, division 273. I understand that ceasing to be a covered DNG source means that [DNG source name] will also cease to hold any compliance instruments and CCI credits.

(d) After the covered DNG source applying for cessation according to paragraph (a)(B) and subsection (c) demonstrates compliance with compliance obligations for the years up to and including the years described in paragraph (a)(B), DEQ will notify the designated representative of the covered DNG source in writing that the application for cessation is approved and that cessation is met.

(e) A person that ceases to be a covered DNG source according to this section must comply with all remaining applicable recordkeeping requirements of this division from the last date on which the person was a covered DNG source.

(f) When a person ceases to be a covered DNG source:

(A) The cessation does not change the compliance obligation for any year for which the person has already demonstrated compliance;

(B) Any remaining compliance instruments held by the person will be retired, held in reserve, or distributed by DEQ according to OAR 340-273-0430(3); and

(C) Any remaining community climate investment credits held by the person will be canceled according to OAR 340-273-0830(1)(c).

Statutory/Other Authority: ORS 468.020, 468A.025, 468A.040 & 468A.050
Statutes/Other Implemented: ORS 468.020, 468A.025, 468A.040, 468A.050, 468.035, 468A.010, 468A.015 & 468A.045
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340-273-0150
Covered Entity Permit Requirements

(1) A person described in either or both OAR 340-273-0110(3) or (4) must apply for a CPP permit as provided in this section.

(a) The person must apply for a CPP permit according to subsections (b) and (c) by the following deadlines:

(A) If DEQ notifies the person in writing that the person is a covered fuel supplier, then the person must apply to DEQ for a CPP permit within 30 days of the notification or by another date DEQ specifies in the notification that is at least 30 days after the date of the notification;

(B) If DEQ does not provide a notification according to paragraph (A), then the person must apply to DEQ for a CPP permit by April 15 of the year after the calendar year that the person becomes a covered fuel supplier; or

(C) If there was a change in ownership or operational control according to OAR 340- 273-0120(2), then the person must apply to DEQ for a CPP permit within 45 days of the change in ownership or operational control.

(b) A person that submits a CPP permit application to DEQ must submit a complete and accurate application. The application for a CPP permit must be submitted to DEQ using a form approved by DEQ and include:

(A) Identifying information about the covered fuel supplier including name, full mailing address, and website, and designated representative's contact information including name, title or position, phone number, and email address;

(B) If the person is a covered fuel supplier that is not a local distribution company, information about each related entity required to report emissions according to OAR chapter 340, division 215, including legal name, full mailing address, and whether each is a covered fuel supplier and holds a CPP permit; and

(C) The following attestation, signed by the designated representative of the person considered a covered fuel supplier;

I certify under penalty of perjury under the laws of the State of Oregon that to the best of my knowledge and belief, the information provided in this form is true, accurate, and complete.

[Covered entity] meets the Climate Protection Program applicability requirements described in OAR 340-273-0110 and requests a permit with the understanding that [covered entity] must comply with such permit as provided in Oregon Administrative Rules chapter 340, division 273.

(c) DEQ may issue a CPP permit to a covered fuel supplier that submits a complete and accurate application. The permit may contain all applicable provisions of this division and such other conditions as DEQ determines are necessary to implement, monitor and ensure compliance with this division.

(2) A person described in either OAR 340-273-0110(5) or (6) must apply for a CPP permit as provided in this section.

(a) The CPP permit application deadlines are:

(A) If DEQ notifies the owner or operator in writing that they are a covered entity, then the owner or operator must apply to DEQ for a CPP permit within 60 days of the notification or by another date DEQ specifies in the notification that is at least 60 days after the date of the notification; or

(B) If DEQ does not provide a notification according to paragraph (A), then the owner or operator must apply to DEQ for a CPP permit by April 15 of the year after the calendar year that the EITE source or DNG source becomes a covered entity.

(b) A covered EITE source or DNG source that submits a CPP permit application to DEQ must submit a complete and accurate application. The application for a CPP permit must be submitted to DEQ using a form approved by DEQ and include:

(A) Identifying information about the covered entity, including name and the name of the person that owns or operates the covered entity, full mailing address, the physical address of the covered entity, and a description of the nature of business being operated, the name, phone number and email address of the designated representative who is responsible for compliance with the permit, the permit number for a source that has already been issued an air quality permit, and the primary and any secondary NAICS code(s) of the covered entity;

(B) A process flow diagram showing the complete production or operational process at the covered entity including all emission units;

(C) For each process or product produced by the covered entity:

(i) The type of process or product and a proposed metric of emissions intensity;

(ii) The level of process or quantity of product produced in each of the 5 previous calendar years, or all years of operation if the facility has not been in operation for 5 years; and

(iii) A calculation of all greenhouse gas emissions in MT CO2e resulting from the process or production of the product in each of the same five previous calendar years used in subparagraph (ii). If multiple processes or products are produced at the covered entity, provide a methodology for allocating emissions to each product; and

(D) Any other information requested by DEQ.

(c) DEQ may issue a CPP permit to a covered EITE source or covered DNG source that submits a complete and accurate application. The permit may contain all applicable provisions of this division and such other conditions as DEQ determines are necessary to implement, monitor and ensure compliance with this division.

Statutory/Other Authority: ORS 468.020, 468A.025, 468A.040 & 468A.135
Statutes/Other Implemented: ORS 468.020, 468A.025, 468A.040, 468A.135, 468.065, 468.035, 468A.010, 468A.015 & 468A.045
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340-273-0320 Greenhouse Gas Intensity Benchmarks for Covered Emissions-Intensive and Trade-Exposed Sources and Covered Direct Natural Gas Sources

(1) DEQ will calculate and assign a greenhouse gas intensity benchmark for each covered EITE source and covered DNG source.

(a) DEQ may designate one or multiple specific products or processes and greenhouse gas intensity benchmarks for each covered EITE source and covered DNG source.

(b) DEQ will calculate a greenhouse gas intensity benchmark as the average of the covered emissions in each year from 2023 through 2025 divided by total annual production level of a specified product or process in each year from 2023 through 2025.

(A) For a covered EITE source or covered DNG source that becomes a covered entity in 2026 or later, DEQ will calculate a greenhouse gas intensity benchmark as the average of covered emissions divided by total annual production level of a specified product or process in up to the three most recent years for which a report has been submitted according to OAR 340-215 and received a positive verification statement according to OAR 340-272.

(B) DEQ may substitute the covered emissions and annual production data from alternate years if the most recent three years are deemed unrepresentative of normal operations at the source.

(i) DEQ will only allow data from 2021 or later, and which has been verified according to OAR 340-272, to be used for calculation of a greenhouse gas intensity benchmark.

(ii) If three representative years of covered emissions and production data are not available, DEQ may assign a temporary greenhouse gas intensity benchmark based on modeling, engineering estimates, comparable process data, or partial-year operational datasets. DEQ will replace any assigned temporary greenhouse gas intensity benchmark with a greenhouse gas intensity benchmark calculated according to paragraph (A) once three full years of data have been submitted according to OAR 340-215 and received a positive verification statement according to OAR 340-272.

(c) DEQ will calculate a greenhouse gas intensity benchmark for any new product or process added at a covered EITE source or covered DNG source, and for which a greenhouse gas intensity benchmark has not already been assigned, as the average of covered emissions divided by total annual production level of a specified product or process in up to the two most recent years for which a report has been submitted

according to OAR 340-215 and received a positive verification statement according to OAR 340-272.

(A) If representative covered emissions and production data are not available, DEQ may assign a temporary greenhouse gas intensity benchmark based on modeling, engineering estimates, comparable process data, or partial-year operational datasets. DEQ will replace any assigned temporary greenhouse gas intensity benchmark with a greenhouse gas intensity benchmark calculated as the average of covered emissions divided by total annual production level of the specified product or process in up to the two most recent years once two full years of data have been submitted according to OAR 340-215 and received a positive verification statement according to OAR 340-272.

(B) A covered EITE source or covered DNG source will not receive a distribution of compliance instruments for production of a new product or process or incur a compliance obligation for covered emissions attributed solely to a new product or process added at a covered EITE source or covered DNG source until the first year of the next compliance period after DEQ assigns a greenhouse gas intensity benchmark for the product or process.

(2) DEQ will provide each covered EITE source and covered DNG source with written notice of its calculated greenhouse gas intensity benchmark.

(a) A covered EITE source or covered DNG source will have a period of 30 days following receipt of an assigned greenhouse gas intensity benchmark to request a recalculation of the greenhouse gas intensity benchmark using alternate years of data.

(B) To request a recalculation, the covered EITE source or covered DNG source must demonstrate the years used by DEQ to calculate the greenhouse gas intensity benchmark include periods of abnormal operation at the source that significantly altered the normal covered emissions or greenhouse gas intensity of a product or process, including:

(i) Shutdown of the facility;

(ii) Severe curtailment of operations at the facility; or

(iii) Major process or production changes at the facility.

340-273-0330 Emission Reduction Schedules for Covered Emissions-Intensive and Trade-Exposed Sources and Covered Direct Natural Gas Sources

(1) The distribution of compliance instruments to a covered EITE source or covered DNG source according to an assigned greenhouse gas intensity benchmark is subject to the emissions reduction schedule in OAR 340-273-9000 Table 8. Greenhouse gas intensity benchmarks assigned by DEQ in 2030 or later will instead apply an emission reduction factor of 1.5% per year, beginning in the first year of the compliance period that follows assignment of the benchmark.

(2) Adjustments to reduction schedules. An owner or operator may request an adjustment to their reduction schedule. If DEQ approves an application for adjustment to an emission reduction schedule, DEQ may, for a period of no longer than 4 years, adjust the reduction schedule for a benchmark to a value no greater than the current compliance period's reduction schedule. Owners or operators of a covered EITE source or covered DNG source requesting an adjustment of their reduction schedule must submit the following information in a format specified by DEQ. The information must be submitted at least 18 months prior to the start of the compliance period in which the facility wishes to have an adjustment. DEQ will make a determination on adjustments based on information contained in the facility's submission, a best available technology analysis, and information in OAR 340-273-0410. An application for a reduction schedule adjustment according to this section must include the following:

(a) A description of the source's production processes and a flow chart of each process;

(b) Identification of all fuels, processes, equipment, and operations that contribute to the source's covered emissions;

(c) Identification and description of all available fuels, processes, equipment, technology, systems, actions, and other strategies, methods and techniques for reducing covered emissions. Strategies considered must include, but are not limited to, strategies used by other sources in this state or in other jurisdictions that produce goods of comparable type, quantity, and quality; and

(d) An assessment of each of the following for each strategy identified in subsection (c):

(A) Technically feasible emissions reduction projects in each facility that could be implemented within the next 20 years based on a comprehensive review of current scientific and technical sources along with their estimated implementation costs and an assessment of economic feasibility, including justification for the conclusions reached. For each applicable emissions reduction project, the source must provide:

(i) A project description;

(ii) The project's ability to meet process specifications, permitting requirements, and low, medium, and high heat temperature ranges (if applicable);

(iii) Estimated CO2e emissions reductions per year;

(iv) Availability or maturation of technology;

(v) Estimated capital expenditures;

(vi) Estimated annual operating expenditures, including changes in annual costs resulting from project implementation, such as energy or maintenance costs;

(vii) Cost-effectiveness;

(viii) Estimated implementation timeline;

(ix) Project constraints, if applicable, such as electricity supply availability and permitting requirements; and

(x) Estimated impacts on the emissions of criteria air pollutants and hazardous air pollutants by the facility.

(B) Emissions reduction projects considered technically or economically infeasible in each facility based on a comprehensive review of current scientific and technical sources along with their estimated implementation costs and an assessment of economic feasibility, including justification for the conclusions reached. For each applicable emissions reduction project, the source must provide:

(i) A project description;

(ii) The project's ability to meet process specifications, permitting requirements, and low, medium, and high heat temperature ranges (if applicable);

(iii) Estimated CO2e emissions reductions per year;

(iv) Availability or maturation of technology;

(v) Estimated capital expenditures;

(vi) Estimated annual operating expenditures, including changes in annual costs resulting from project implementation, such as energy or maintenance costs;

(vii) Cost-effectiveness;

(viii) Estimated implementation timeline;

(ix) Project constraints, if applicable, such as electricity supply availability and permitting requirements;

(x) Estimated impacts on the emissions of criteria air pollutants and hazardous air pollutants by the facility; and

(xi) Rationale for being considered infeasible.

(C) A review by a licensed professional engineer who is not employed by or currently otherwise working under a contract with the emissions-intensive, trade-exposed or direct natural gas facility, its subsidiaries, or related entities and has no common ownership with the facility or covered entity. The licensed professional engineer must certify:

(i) The information submitted under subsections (2)(c), (2)(d)(A) and (2)(d)(B) is credible; and

(ii) The owner or operator of the emissions-intensive, trade-exposed or direct natural gas facility has undertaken a comprehensive and credible process to identify projects for greenhouse gas emissions reductions that are technically and economically feasible within the next 20 years.

(e) Economic infeasibility will mean that the cost to implement the reduction strategy will be more than 2 times the CCI cost for the same year, or as approved by DEQ.

(3) Significant increases in greenhouse gas emissions intensity as a result of production decreases. A covered EITE source or covered DNG source that experiences an unplanned circumstance that causes a substantial disruption to facility-wide production

resulting in at least a 10% increase in greenhouse gas emissions intensity may submit an application to DEQ for an immediate, temporary adjustment to a benchmark reduction schedule. This adjustment may remain in place until the end of the current compliance period. Examples of unplanned circumstances include, but are not limited to large market fluctuations, natural disasters, or major equipment failure, which could include cyber-attacks on control systems.

(a) An application for a reduction schedule adjustment according to this section must include the following:

(A) A description of the source's production processes and a flow chart of each process;

(B) Identification of all fuels, processes, equipment, and operations that contribute to the source's covered emissions.

(C) Documentation of the unplanned catastrophic event: Facilities must provide comprehensive, verifiable documentation that clearly demonstrates the occurrence, scope, and impact of the unplanned catastrophic event. Documentation should include:

(i) Date, time, and duration of the event:

(I) Provide a timeline identifying when the incident began;

(II) Key milestones; and

(III) When normal or partial operations resumed, if applicable.

(ii) Description of the event.

(I) A detailed narrative explaining what happened;

(II) The nature of the disruption; and

(III) Why the circumstance qualifies as unplanned and catastrophic.

(iii) Operational impacts: Information describing how facility-wide operations were affected, including shutdowns, reduced throughput, equipment damage, or limited staffing capacity.

(iv) Verified production records, showing the magnitude and duration of the production decline compared to baseline or typical operations.

(v) Actual emissions data during the period of disruption, compared against the projected compliant level emissions

(vi) Supporting evidence: Attachments such as photos, inspection reports, maintenance logs, incident reports, insurance claims, regulatory notifications, or third-party assessments that corroborate the event and its impacts.

(vii) A third-party verification from confirming the accuracy and completeness of the documentation provided.

(D) Documentation of implementation of corrective actions. Facilities must provide clear, evidence-based documentation demonstrating what corrective actions were considered, selected, and implemented. Documentation should include:

(i) Identification of corrective action options: A summary of all feasible corrective measures evaluated, including emergency repairs, process modifications, temporary operational changes, or equipment replacements.

(ii) Decision rationale: An explanation of why specific corrective actions were chosen over alternatives, including assessment of technical feasibility, safety considerations, regulatory obligations, and resource constraints.

(iii) Implementation timeline: A clear timeline showing when corrective actions were initiated, key milestones, and any delays that affected return to normal operations.

(E) Expected path forward for mitigation. If possible, facilities must describe the anticipated long-term approach to minimize recurrence of similar events and mitigate the associated operational and emissions impacts. This should include:

(i) Long-term mitigation strategy: an outline of planned measures to strengthen resilience, reduce vulnerability, or improve reliability of critical systems.

(ii) Planned operational or process changes: a description of any permanent modifications to production processes, equipment, or monitoring systems that reduce risk of future disruptions.

(iii) Future preventive maintenance or inspection plans: any changes to maintenance schedules, inspection procedures, or monitoring protocols implemented based on lessons learned.

(iv) Infrastructure improvements or investments: identification of upgrades, replacements, or technology adoption intended to address root causes or enhance facility stability.

(b) If DEQ approves an application for adjustment under this section, DEQ will replace actual production values with the baseline average production value used to assign a benchmark for the covered EITE source or covered DNG source when calculating the compliance instrument distribution for the source during the adjustment period.

(c) At the end of the adjustment period, a covered EITE source or covered DNG source must surrender all compliance instruments distributed during the adjustment period in excess of the covered entity's compliance obligation for the adjustment period.

(4) A covered EITE source or covered DNG source is prohibited from transferring to any other covered entity compliance instruments distributed during the period they are subject to an adjusted reduction schedule according to section 2 or 3.

(5) At the end of a period in which a covered EITE source or covered DNG source was subject to an adjusted reduction schedule:

(a) DEQ will set a new reduction schedule based on:

(A) The reduction schedule of the source prior to the adjustment;

(B) The current applicable reduction target in OAR 340-273-9000 Table 8; and

(C) The rationale for the adjustment.

(b) If the new emission reduction schedule is set above the current emissions reduction target in OAR 340-273-9000 Table 8, the emission reduction target for the covered EITE source or covered DNG source will decline by a rate set by DEQ each year until the applicable benchmark meets the standard for the greenhouse gas intensity for the current year in OAR 340-273-9000 Table 8.

340-273-0410

Distribution of Compliance Instruments to Covered Emissions-Intensive and Trade-Exposed Sources and Covered Direct Natural Gas Sources

(1) DEQ will distribute compliance instruments annually to covered EITE sources and covered DNG sources according to this rule. DEQ will distribute compliance instruments from a cap no later than June 30 of each calendar year.

(2) In order to be eligible for an annual distribution of compliance instruments, a covered EITE source or covered DNG source must:

(a) Provide DEQ with timely and accurate reports as required under OAR Chapter 340, Division 215; and

(b) Hold a CPP permit as required by OAR 340-273-0150(4).

~~(3) Covered EITE sources and covered DNG sources are exempt from compliance obligations for the first compliance period.~~

~~(a) Covered EITE sources and covered DNG sources do not have compliance obligations for covered emissions for 2025, 2026, and 2027.~~

~~(b) Covered EITE sources and covered DNG sources will not receive a distribution of compliance instruments in 2025, 2026, or 2027.~~

(3) Covered EITE sources and covered DNG sources do not have compliance obligations for covered emissions for 2025, 2026, and 2027 and will not receive a distribution of compliance instruments in 2025, 2026, or 2027.

(4) Beginning in 2028, DEQ will annually distribute compliance instruments from the applicable calendar year's cap to covered EITE sources and covered DNG sources as follows:

(a) DEQ will use the following formula to calculate the number of compliance instruments to distribute:

$$Number\ of\ compliance\ instruments = (Benchmark * Reduction\ schedule_{t} * Production_{t-1}) \pm Verified\ production\ data\ correction\ factor$$

(b) As used in subsection (a):

(A) "Benchmark" means the assigned greenhouse gas intensity benchmark for the specified product or process

(B) "Reduction schedule $_{t}$" means the greenhouse gas intensity reduction target for the year in which compliance instruments are being distributed (t), according to Table 8 in OAR 340-273-9000, or an alternate reduction schedule value assigned by DEQ according to OAR 340-273-0330(2) or (3);

(C) "Production $_{t-1}$" means the reported amount of a benchmarked product or process produced in year t-1;

(D) "Verified production data correction factor" means an adjustment, beginning with the 2030 annual distribution of compliance instruments, that corrects the initial compliance instrument distribution estimate. For each distribution using a greenhouse gas intensity benchmark, DEQ will recalculate the compliance instrument distribution from year t-2 using third-party verified production data, according to the formula below. If DEQ determines that the estimated production data used for the compliance instrument distribution in year t-2 resulted in a lesser or greater number of compliance instruments being distributed to a covered EITE source or covered DNG source, when compared to the recalculation using the reported and verified data, DEQ will increase or reduce, respectively, the number of compliance instruments distributed to the covered EITE source or covered DNG source by an equal amount in the current compliance instrument distribution.

Verified production data correction factor = **(Benchmark * Reduction schedule $_{t-2}$ * Verified Production $_{t-2}$)**

(E) As used in paragraph (D):

(i) "Benchmark" means the assigned greenhouse gas intensity benchmark for the specified product or process

(ii) "Reduction schedule $_{t-2}$" means the greenhouse gas intensity reduction target for the year t-2 according to Table 8 in OAR 340-273-9000, or an alternate reduction schedule value assigned by DEQ according to OAR 340-273-0330(2) or (3);

(iii) "Verified Production $_{t-2}$" means the amount of a benchmarked product or process produced in year t-2, as reported under OAR 340-215 and verified under OAR 340-272;

~~(4) The EQC recognizes that EITE sources may face competition from sources operating outside of Oregon and not subject to these rules. Avoiding leakage of emissions and economic activity to other jurisdictions as a result of the cost of compliance with this division of rules is a critical objective of this division of rules. To achieve this objective while hastening investments to decarbonize manufacturing in Oregon, DEQ staff will work to develop a proposed baseline emissions intensity value for each covered EITE source and covered DNG source for the second and subsequent compliance periods from data provided by each covered entity. DEQ staff anticipates that the proposed baseline emissions intensity value would calculate the number of metric tons of CO2e emitted per unit of applicable product or operational process for each covered entity, and then DEQ staff would propose to establish an annual decline from the proposed baseline emissions intensity value for all such covered entities. Each calendar year DEQ could propose to distribute to each covered EITE source and covered DNG source compliance instruments from the annual cap equivalent to the applicable emission intensity target times the number of applicable units using emissions and production data from the previous calendar year. DEQ staff will develop this proposal for potential adoption by the EQC.~~

~~(5) For the second and subsequent compliance periods, DEQ will distribute compliance instruments to each covered EITE source and covered DNG source equal to the covered entity's average covered emissions for 2022 through 2023 multiplied by the emission reduction target in OAR 340-273-9000 Table 8 for each year of the compliance period. If DEQ does not have emissions data for a covered EITE source or covered DNG source for either or both 2022 and 2023, DEQ will replace the missing year(s) with the most recent calendar year(s) of emissions data that is available from calendar years 2017 through 2024. If DEQ only has one year of emissions data for a covered EITE source or covered DNG source between 2017 and 2024, DEQ will distribute the number of compliance instruments equal to the covered entity's covered emissions for that one year. If DEQ does not have any emissions data for a covered entity from 2017 through 2024, DEQ will distribute compliance instruments equal to the covered entity's 2024 covered emissions.~~

~~(6) A covered EITE source or covered DNG source that begins operations in 2025 or any subsequent year will not incur a compliance obligation for covered emissions occurring until the first year of the next compliance period after they become a covered entity.~~

~~(a) For any covered EITE source or covered DNG source that begins operations in 2025 or any subsequent year, DEQ will use the most recent year(s) of available data to calculate a covered emissions baseline, up to two years.~~

~~(b) A covered EITE source or covered DNG source that begins operations in 2025 or any subsequent year will not receive a distribution of compliance instruments until the first year of the next compliance period after becoming a covered entity.~~

~~(c) Beginning in the first year of the next compliance period after becoming a covered EITE source, the EITE source will receive a distribution of compliance instruments equal to the covered EITE source's emissions baseline, as described in subsection (a), multiplied by an emission reduction target of 1. The emissions reduction target will decrease by 0.03 per year until this target reaches an equivalent emissions reduction to the emissions reduction target for that calendar year outlined in Table 8.~~

~~(d) Beginning in the first year of the next compliance period after becoming a covered DNG source, the DNG source will receive a distribution of compliance instruments equal to the covered DNG source's emissions baseline, as described in subsection (a), multiplied by an emission reduction target of 1. The emissions reduction target will decrease by 0.05 per year until this target reaches an equivalent emissions reduction to the emissions reduction target for that calendar year outlined in Table 8.~~

Statutory/Other Authority: ORS 468.020, 468A.025 & 468A.040
Statutes/Other Implemented: ORS 468.020, 468A.025, 468A.040, 468.035, 468A.010, 468A.015 & 468A.045
History:
DEQ 18-2024, adopt filed 11/22/2024, effective 11/22/2024

340-273-0450
Demonstration of Compliance

(1) DEQ will determine the total compliance obligation for a compliance period for each covered fuel supplier, each covered EITE source, and each covered DNG source as the sum of the

covered entity's annual compliance obligation(s) for each year of the compliance period. DEQ will base its determinations on emissions calculated according to OAR 340-273-0110(1). DEQ will notify each covered entity of DEQ's determination.

(2) A covered fuel supplier must demonstrate compliance according to this rule by December 9 of the year following the end of each compliance period, or 40 days after DEQ's notification described in section (1), whichever is later.

(3) A covered EITE source or covered DNG source must demonstrate compliance according to this rule by December 9 of the year following the end of the first compliance period in which they have a compliance obligation according to OAR 340-273-0410, or 40 days after DEQ's notification described in section (1), whichever is later.

(4) To demonstrate compliance for a compliance period, each covered entity required to demonstrate compliance must submit the following to DEQ:

(a) For each metric ton of CO2e of the total compliance obligation, either a compliance instrument or a CCI credit, subject to the following limitations:

(A) A covered entity may only submit compliance instruments that DEQ distributed from the caps for the calendar years of the applicable compliance period or from caps for earlier compliance periods; ~~and~~

(B) The quantity of CCI credits used **by a covered fuel supplier or local distribution company** to demonstrate compliance as a percentage of the total compliance obligation for the applicable compliance period may not exceed the allowable percentage specified in Table 5 in OAR 340-273-9000; ~~and~~

(C) The quantity of CCI credits used by a covered EITE or covered DNG source to demonstrate compliance as a percentage of the total compliance obligation for the applicable compliance period may not exceed 20%, with the following exceptions:

(i) A covered EITE or covered DNG source may use CCI credits to demonstrate compliance up to 30% of the total compliance obligation for the applicable compliance period if the source has also used all of the source's compliance instruments to demonstrate compliance; and

(ii) A covered EITE or covered DNG source may apply to use CCI credits up to 100% of the total compliance obligation for the applicable compliance period. DEQ may authorize that level of credit use if it determines:

(I) The conditions in subparagraph (i) are met; and

(II) A covered EITE or covered DNG source has demonstrated that they have a community benefit agreement, and over the past five years, have no more than two state or federal labor law violations, are paying prevailing wage rates, and have no more than two DEQ violations.

(b) A demonstration of compliance form, approved by DEQ that includes:

(A) Name and full mailing address of the covered entity;

(B) Designated representative's contact information including name, title or position, phone number, and email address;

(C) Identification of the compliance period and calendar year(s) for which the covered entity is demonstrating compliance;

(D) The total compliance obligations in metric tons of CO2e for the compliance period and listed separately for each calendar year in the compliance period;

(E) The total number of compliance instruments the covered entity is submitting to DEQ to demonstrate compliance, and separately the total number submitted from each calendar year's cap;

(F) The total number of CCI credits the covered entity is submitting to DEQ to demonstrate compliance; and

(G) The following attestation, signed by the designated representative of the covered entity:

I certify under penalty of perjury under the laws of the State of Oregon that I am a representative of [covered entity name], am authorized to submit this report on its behalf, and that, to the best of my knowledge and belief, the information provided in this form is true, accurate, and complete. It is the intent of [covered entity] to use the quantity of compliance instruments and credits listed on this form and submitted to DEQ for the demonstration of compliance. I certify that [covered entity] has not exceeded the allowable use of CCI credits. If any portion of these compliance obligations remain unmet after this submission, I understand that [covered entity] must still demonstrate compliance with the remaining portion and may be subject to enforcement action.

(5) Each metric ton of CO2e of a compliance obligation for which a covered entity does not demonstrate compliance according to this rule is a separate violation of this division.

(6) If a change in ownership of a covered entity occurs, the person that owns or operates the covered entity as of December 31 in the final year of a compliance period is responsible for demonstration of compliance according to this rule for each annual compliance obligation during the compliance period. Compliance obligations may not be split or subdivided based on ownership changes during the compliance period or during any year within the compliance period.

Statutory/Other Authority: ORS 468.020, 468A.025 & 468A.040
Statutes/Other Implemented: ORS 468.020, 468A.025, 468A.040, 468.035, 468A.010, 468A.015 & 468A.045
History:
DEQ 18-2024, adopt filed 11/22/2024, effective 11/22/2024

340-273-8110
Deferrals

DEQ may extend **permitting,** reporting or demonstration of compliance deadlines as DEQ deems necessary or appropriate and will issue written notice of any extensions.

Statutory/Other Authority: ORS 468.020, 468A.025 & 468A.040
Statutes/Other Implemented: ORS 468.020, 468A.025, 468A.040, 468.035, 468A.010, 468A.015 & 468A.045
History:
DEQ 18-2024, adopt filed 11/22/2024, effective 11/22/2024

340-273-9000
Tables

(1) Table 1. Thresholds for applicability described in OAR 340-273-0110(3).

(2) Table 2. Oregon Climate Protection Program caps.

(3) Table 3. Compliance instrument reserve size.

(4) Table 4. Compliance instrument percentage distribution to covered fuel suppliers that are local distribution companies.

(5) Table 5. Covered entity allowable usage of community climate investment credits to demonstrate compliance as described in OAR 340-273-0450(3).

(6) Table 6. CCI credit contribution amount.

(7) Table 7. EITE source classifications.

(8) Table 8. **Greenhouse gas emissions intensity** ~~Emission~~ reduction targets ~~for second and subsequent periods~~ for covered EITE and covered DNG sources **for second and subsequent periods**.

[ED. NOTE: To view attachments referenced in rule text, click here to view rule.]

Statutory/Other Authority: ORS 468.020, 468A.025 & 468A.040
Statutes/Other Implemented: ORS 468.020, 468A.025, 468A.040, 468.035, 468A.010, 468A.015 & 468A.045
History:
DEQ 26-2025, minor correction filed 08/05/2025, effective 08/05/2025
DEQ 18-2024, adopt filed 11/22/2024, effective 11/22/2024

Table 1
Thresholds for applicability described in OAR 340-273-0110(3)

Applicability determination calendar year(s)	Threshold for applicability to compare to annual covered emissions	Calendar year a person becomes a covered fuel supplier
Any year from 2020 through 2025	100,000 MT CO2e	2025
2026	100,000 MT CO2e	2026
2027	100,000 MT CO2e	2027
Any year from 2025 through 2028	50,000 MT CO2e	2028
2029	50,000 MT CO2e	2029
Any year from 2028 through 2030	25,000 MT CO2e	2030
2031	25,000 MT CO2e	2031
Each subsequent year	25,000 MT CO2e	Each subsequent year

Table 2
Oregon Climate Protection Program caps

Calendar year	Cap
2025	24,157,161
2026	23,280,253
2027	22,403,346
2028	25,533,741
2029	24,129,251
2030	23,135,118
2031	21,689,592
2032	20,244,066
2033	18,798,540
2034	17,353,013
2035	15,907,487

2036	15,059,088
2037	14,210,689
2038	13,362,289
2039	12,513,890
2040	11,665,491
2041	10,817,091
2042	9,968,692
2043	9,120,293
2044	8,271,893
2045	7,423,494
2046	6,575,095
2047	5,726,695
2048	4,878,296
2049	4,029,897
2050 and each calendar year thereafter	3,181,497

Table 3
Compliance instrument reserve size

Calendar year(s) of the cap	Reserve size
2025 through 2028	800,000 compliance instruments
2029 through 2034	500,000 compliance instruments
2035 and each calendar year thereafter	250,000 compliance instruments

Table 4
Compliance instrument distribution percentages to covered fuel suppliers that are local distribution companies

	Compliance instruments to distribute to Avista Utilities	Compliance instruments to distribute to Cascade Natural Gas Corporation	Compliance instruments to distribute to Northwest Natural Gas Company
2025	2.76%	2.25%	19.74%
2026	2.76%	2.25%	19.74%
2027	2.76%	2.25%	19.74%
2028	2.69%	2.20%	19.25%
2029	2.69%	2.20%	19.25%

2030 and each calendar year thereafter	2.68%	2.18%	19.13%

Table 5
Covered entity allowable usage of community climate investment credits to demonstrate compliance as described in OAR 340-273-0450(3)

Compliance period	Allowable percentage of total compliance obligation(s) for which compliance may be demonstrated with CCI credits
Compliance period 1 (2025 through 2027)	15%
Compliance period 2 (2028 through 2029), and for each compliance period thereafter	20%

Table 6
CCI credit contribution amount

Effective date	CCI credit contribution amount in 2024 dollars, to be adjusted according to OAR 340-273-0820(3)
March 1, 2025	$129
March 1, 2026	$129
March 1, 2027	$130
March 1, 2028	$131
March 1, 2029	$132
March 1, 2030	$133
March 1, 2031	$134
March 1, 2032	$135
March 1, 2033	$136
March 1, 2034	$137
March 1, 2035	$138
March 1, 2036	$139
March 1, 2037	$140
March 1, 2038	$141
March 1, 2039	$142
March 1, 2040	$143

March 1, 2041	$144
March 1, 2042	$145
March 1, 2043	$146
March 1, 2044	$147
March 1, 2045	$148
March 1, 2046	$149
March 1, 2047	$150
March 1, 2048	$151
March 1, 2049	$152
March 1, 2050	$153

Table 7
EITE source classifications

NAICS Code	Sector Definition
3364	Aerospace Product and Parts Manufacturing
3251	Basic Chemical Manufacturing
3273	Cement and Concrete Product Manufacturing
3315	Foundries
3114	Fruit and Vegetable Preserving and Specialty Food Manufacturing
3272	Glass and Glass Product Manufacturing
3311	Iron and Steel Mills and Ferroalloy Manufacturing
3274	Lime and Gypsum Product Manufacturing
3314	Nonferrous Metal (except Aluminum) Production and Processing
2123	Nonmetallic Mineral Mining and Quarrying
3329	Other Fabricated Metal Product Manufacturing
3279	Other Nonmetallic Mineral Product Manufacturing
3253	Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing
3261	Plastics Product Manufacturing
3221	Pulp, Paper, and Paperboard Mills
3211	Sawmills and Wood Preservation
3344	Semiconductor and Other Electronic Component Manufacturing
3212	Veneer, Plywood, and Engineered Wood Product Manufacturing

Table 8

Greenhouse gas emissions intensity reduction targets for covered EITE sources and covered DNG sources for second and subsequent compliance periods

Year	Emissions reduction target
2028	1
2029	1
2030	0.985
2031	0.97
2032	0.955
2033	0.94
2034	0.925
2035	0.91
2036	0.895
2037	0.88
2038	0.865
2039	0.85
2040	0.835
2041	0.82
2042	0.805
2043	0.79
2044	0.775
2045	0.76
2046	0.745
2047	0.73
2048	0.715
2049	0.7
2050	0.685

~~Table 8~~

~~Emissions reduction targets for covered EITE sources and covered DNG sources for compliance period 2 and subsequent periods~~

~~Compliance period~~	~~Emissions reduction target~~
~~Compliance period 2 (2028 through 2029)~~	~~1~~

~~Compliance period 3 (2030 through 2031)~~	~~0.95~~
~~Compliance period 4 (2032 through 2033)~~	~~0.90~~
~~Compliance period 5 (2034 through 2035)~~	~~0.85~~
~~Compliance period 6 (2036 through 2037)~~	~~0.80~~
~~Compliance period 7 (2038 through 2039)~~	~~0.75~~
~~Compliance period 8 (2040 through 2041)~~	~~0.70~~
~~Compliance period 9 (2042 through 2043)~~	~~0.65~~
~~Compliance pPeriod 10 (2044 through 2045)~~	~~0.60~~
~~Compliance pPeriod 11 (2046 through 2047)~~	~~0.55~~
~~Compliance pPeriod 12 (2048 through 2049)~~	~~0.50~~
~~Compliance pPeriod 13 (205049 through 2051) and thereafter~~	~~0.45~~

Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age, sex, religion, sexual orientation, gender identity, or marital status in the administration of its programs and activities.

For translation or other formats, visit DEQ's Civil Rights and Environmental Justice page.