State of Oregon Department of Environmental Quality

Written Comments

CPP EITE 2027 Rulemaking Advisory Committee Meeting 3

This document is a compilation of written comments received between Oct. 8 at 12:30 .pm. and Oct. 19, 2026, at 3 p.m. related to the third meeting of the advisory committee for the Climate Protection Program EITE 2027 Rulemaking held on Sept. 15, 2026.

Comments

Cascade Steel Rolling Mills Inc. 2

a Radius Recycling company

Cascade Steel Rolling Mills
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October 14, 2026

Evan Manvel
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Oregon Department of Environmental Quality
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RE: Requested Revisions to Draft EITE Rules Necessary to Protect Oregon's Only Scrap Steel Manufacturing Facility, Jobs and Climate Progress

Dear Evan:

Cascade Steel Rolling Mills writes to comment on the Oregon Department of Environmental Quality (DEQ)'s draft rules for Energy-Intensive and Trade Exposed (EITE) facilities under the Climate Protection Program (CPP). Cascade Steel is very concerned with the draft EITE rules. The rules as currently conceived will almost certainly result in pushing manufacturing, jobs, and investment, as well as unmitigated emissions, out of Oregon.

Cascade Steel is Oregon's only scrap steel, electric arc furnace (EAF) steel producer. Our facility in McMinnville provides family wage jobs to hundreds of Oregonians whose work recycles scrap metal into finished steel products used throughout the Pacific Northwest. By also utilizing nearly 100% hydroelectric power and through purchasing carbon offsets, Cascade Steel's energy use is already net carbon neutral, making Cascade Steel one of the "greenest" steel mills in North America. Cascade Steel's business aligns well with the State of Oregon's climate protection goals.

Cascade Steel competes with steel producers across the country and abroad. The reality is that our competitors do not face regulatory costs or pressures similar to the CPP. If the final CPP rules end up being unworkable, in general they may end up shifting industrial production, jobs, positive economic impacts, and carbon emissions to facilities in jurisdictions outside of Oregon. In the case of GHGs, which are ubiquitous and whose impacts are global, shifting industry to other state or countries is negative in all respects. Cascade Steel urges DEQ to substantially revise the draft EITE rules, as summarized below.

Representative Baseline Periods

DEQ's draft rules would establish a default baseline period of 2023-2025 from which to set a facility's benchmark emissions intensity value. But there is no reason to expect that default period would result in representative benchmarks. This is particularly true for an industry, like ours, that has different levels of output in good years and bad. For Cascade Steel, the three-year period from 2023-2025, which came immediately after Covid, saw production go up and emissions intensity go down. However, that three-year period does not reflect the normal variation in Cascade Steel's production levels or emissions intensity. For that reason, the period 2023-2025 cannot fairly be used to set Cascade Steel's benchmark emissions intensity value.

Ironically, if the period 2023-2025 were used indiscriminately to set EITE source benchmarks, it could drive certain EITE's out of business in Oregon. However, DEQ appropriately states that its objective for the EITE rules is to render the CPP workable for Oregon's manufacturers, encouraging those businesses to continue to invest in Oregon and resulting in actual carbon emission intensity reductions, where feasible. To achieve DEQ's objectives, a different approach is needed. Specifically, Cascade Steel requests that DEQ revise the draft EITE rules to allow each EITE business to work with DEQ to identify a representative period of at least twelve months between 2017 and 2027 from which to set its emissions intensity benchmark. To that end, Cascade Steel is willing to have the emissions data that it submitted prior to 2021 verified by third parties for use in DEQ's benchmark setting process.

Realistic Timelines and Flexibility

It is highly unlikely that Cascade Steel will be able to make the specific incremental reductions in emissions intensity each year during each two-year compliance period, as would be required in the draft EITE rules. Emission intensity reductions, where feasible, will come in larger chunks, and result from major capital investments and construction projects. Such major industrial improvements take years to plan, permit, finance, build, and bring online.

Accordingly, the EITE rules must allow companies to request adjustments to the specific intensity reductions required each year to reflect how long it will take to develop and implement any available emissions intensity reduction projects. The EITE rules should either waive the intensity reduction requirements for the duration of project development and implementation, or provide compliance instruments sufficient to cover required emissions intensity reductions during that period.

The EITE rules should also provide clear, automatic relief to EITE businesses when further intensity reductions are not technically feasible, economically reasonable, or would increase the risk of production leaving Oregon. Flexibility under the EITE rules is

especially important during major projects, production downturns, abnormal events, and other circumstances outside a facility's control.

Affordable Compliance Options

Given the limited compliance options available under Oregon's program, DEQ should expand compliance flexibility for EITE facilities. At a minimum, EITEs must be able to purchase and bank sufficient Community Climate Investment credits to satisfy their compliance obligations after all compliance instruments have been applied.

Timely and Predictable Decisions

Oregon manufacturers need clear deadlines for agency decisions and a fair opportunity to seek review. Predictability and certainty under the EITE rules are essential when companies are deciding whether and where to make long-term capital investments. These rules must hold DEQ to timely decision-making based on clearly defined criteria.

Conclusion

We urge DEQ to further revise the draft EITE rules to ensure that the final rule framework:

- Keeps Oregon manufacturing competitive and prevents Oregon businesses and emissions from simply moving elsewhere;
- Uses proper representative benchmark periods;
- Provides affordable compliance options, including enough investment credits to meet EITEs' compliance obligations (with no 20% cap); and
- Requires DEQ to work under clear deadlines for benchmark setting, benchmark reviews, economic downturn protection, and reduction schedule adjustment.

A balanced approach can advance Oregon's climate goals while protecting many industries, including Cascade Steel and its family-wage jobs, local investment, and the considerable environmental benefits of recycling scrap into steel here in Oregon.

Thank you for considering Cascade Steel's perspective.

Sincerely,

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cc: Leah Feldon, DEQ
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