



The League of Women Voters of Oregon, established in 1920, is a grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

October 13, 2023

To: [Colin McConaha](#), DEQ, Manager, Office of Greenhouse Gas Programs
[Elizabeth Elbel](#), DEQ, Manager, GHG Reporting Program and GHG Inventory
[Dept of Environmental Quality Climate 2023 Rulemaking](#)

Re: Climate 2023 Proposed Rulemaking - **Comments**

The League of Women Voters believes climate change is a serious threat facing our nation and planet and supports climate goals consistent with the best available science to ensure a stable climate system for future generations. The League advocates in favor of laws, regulations, and policies to mitigate climate change and its impact. We have been participating in the CPP rulemaking since its inception in 2021.

The League of Women Voters of Oregon (LWVOR) strongly supports the CPP's primary goals as identified by DEQ from the beginning of its original rulemaking:

- **Emissions:** Achieve significant greenhouse gas (GHG) reductions
- **Equity:** Promote benefits and alleviate burdens for environmental justice communities and impacted communities
- **Costs:** Contain costs for businesses and consumers

DEQ's program rules need to enforce strong compliance and reporting obligations for regulated gas utilities and industry, to ensure that Oregon can meet its stringent goals for reducing GHG emissions while delivering the maximum public health and economic benefits for Oregonians, especially in underserved communities.

We acknowledge DEQ's hard work with diverse interest groups to establish this vital program. During the 2021 rulemaking, [we expressed our belief](#) that the rules fell short of requiring certain measures that seemed essential for Oregon to achieve its GHG reduction targets—for example, caps on emissions from large stationary sources and from natural gas-fired power plants.

The 2023 rulemaking offers an opportunity to strengthen the CPP's effectiveness and ensure that it benefits Oregon consumers, workers, local economies, and underserved communities. We believe the current proposals include many positive refinements. In particular, we support:

- Permanent adoption of the temporary rule adopted by the EQC in 2022, stating that GHG emissions from natural gas delivered by a utility, whether combusted or oxidized, are covered emissions. This rule closes a loophole that might have allowed significant amounts of emissions from large industrial processes to escape regulation. [LWVOR supported the temporary rule](#) during the 2022 rulemaking.

- Redefining "biomethane" (the emissions from which are exempted by the CPP by definition) so as to properly exclude synthetic methane produced from non-biogenic feedstocks. Any reliance on synthetic methane as an alternative to natural gas should generate compliance obligations under the CPP cap.
- Amending the GHG Reporting Program rules to require regulated entities to submit more detailed reporting of emissions data for biomass-derived fuels and hydrogen, including lifecycle carbon intensity of the delivery pathway, amount of natural gas use displaced in Oregon, and records demonstrating that no other party can make a claim on the environmental attributes being reported; stronger reporting and more accurate accounting will strengthen compliance with existing programs and inform future regulation.

At the same time, we share the environmental community's concerns about several provisions that could seriously impede the CPP's progress toward its stated goals.

Use of out-of-state investments for CPP compliance

The proposed rules would allow gas utilities to use out-of-state investments in biomethane and hydrogen projects as a compliance mechanism. We agree with environmental advocates that such investments would deliver no direct benefits for Oregonians in terms of GHG reductions, public health or job creation, and in fact could divert funding from the existing Community Climate Investment (CCI) program, to the extent that utilities find biomethane and hydrogen investments more attractive.

The CCI program is designed to play a key role in generating community benefits by enabling regulated entities to earn compliance credits while prioritizing projects that benefit Oregon communities. CCI funds may only be used for projects in Oregon—e.g., transportation or building upgrades—that add GHG emissions reductions that wouldn't otherwise occur.

Accordingly, we join other advocates in urging DEQ to disallow the use of out-of-state investments in biomethane for purposes of CPP compliance. Compliance credits should be allowed only for biomethane injected into a pipeline within Oregon.

Stationary source emissions

Major industrial emitters reportedly account for about 20% of Oregon's GHG emissions. During the 2021 rulemaking, we expressed our belief, in line with that of environmental advocates, that "large stationary sources should be regulated for both their on-site combustion of natural gas and the emissions generated by their industrial processes." We have disagreed with DEQ and EQC's decision to exempt stationary sources from the CPP's declining emissions caps and to regulate their emissions through a Best Available Emissions Reduction (BAER) approach.

Currently, only the-largest stationary sources—those with covered emissions of at least 25,000 metric tons of carbon dioxide equivalent per year—are subject to BAER. To date, only two of the 15 facilities currently subject to BAER have been called in to prepare a BAER assessment.

We agree with environmental advocates that the current site-specific BAER approach will not effectively reduce sector-wide emissions; in fact, stationary source emissions would seem likely to increase as Oregon incentivizes the expansion of larger emitters such as data centers and semiconductor manufacturers.

The CPP must strengthen requirements for new or expanded large stationary source facilities in Oregon to reduce their GHG emissions. If DEQ intends to continue to exempt these sources from binding emissions caps, DEQ should set the emissions threshold for requiring sources to prepare a BAER assessment as low as possible.

Additional issues

LWVOR is concerned that the definition of “Environmental Attribute” in the context of what may be claimed as a compliance instrument is too broad, and could open the door for greenwashing. It includes “...offsets, allowances, credits, avoided compliance costs, emission rights and authorizations under any law or regulation, or any other comparable emission registry, trading system, or reporting or reduction program for greenhouse gas emissions that is established, certified, maintained, or recognized by any international, governmental, or nongovernmental agency.” We suggest instead that reported claims of potential emission reductions must have strong guardrails such as independent review and must meet a certain minimum requirement of benefit for Oregonians.

Finally, we note that even as this rulemaking progresses, we are disappointed that the CPP is under legal attack by fossil fuel and other industry groups seeking to overturn this cornerstone program. We are hopeful that the CPP will survive this attack and the program rules moving forward will tighten, rather than roll back, the covered entities’ obligations to comply in ways that achieve true emissions reductions and promote widespread benefits for Oregonians.

We thank DEQ for the opportunity to comment on this proposed rulemaking.



Rebecca Gladstone
Co-President LWVOR



Claudia Keith
Climate Emergency Coordinator



Arlene Sherrett
Climate Emergency Portfolio

Cc: [Kathleen George, Environmental Quality Commission Chair](#)