



The League of Women Voters of Oregon is a 102-year-old 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.

September 29, 2022

To: CFP.2022@deq.oregon.gov

Re: Comments on Proposed Rules for Clean Fuels Program Expansion 2022

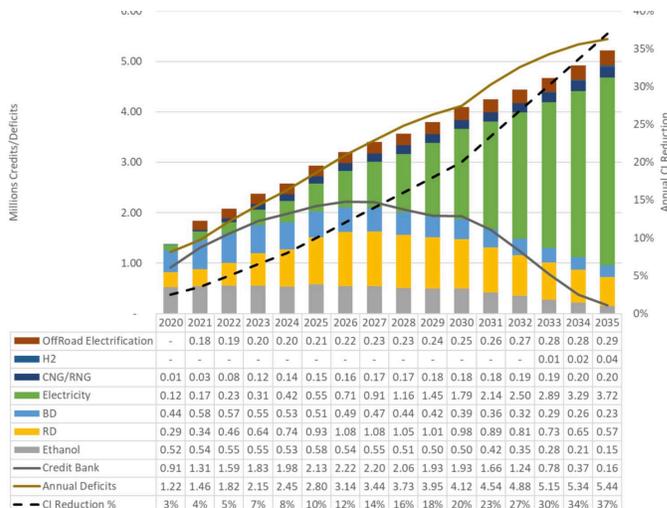
The League of Women Voters of Oregon (LWVOR) believes that climate change is a serious threat facing our nation and planet. The League believes that an interrelated approach to combating climate change—including through energy conservation, air pollution controls, building resilience, and promotion of renewable resources—is necessary to protect public health and defend the overall integrity of the global ecosystem.

The League appreciates this opportunity to comment on the “Notice of Proposed Rulemaking” for the Clean Fuels Program Expansion 2022 as published by the Department of Environmental Quality (DEQ) on June 29, 2022. We were impressed with the organized way in which the development of the rules was carried out. We have responded to three of the questions posed in the “Request for Other Options” and have included comments on two additional changes as documented in the “Summary of Proposed Changes.”

2030 and 2035 Targets

DEQ is proposing to establish average carbon intensity targets of 20% in 2030 and 37% in 2035. Should DEQ consider targets different than these and why?

We believe that the proposed targets should be adopted. It was clear during the development of the rules that considerable thought was given to choosing the values. Executive Order 20-04 gave values of 20% in 2030 and 25% in 2035. It was recognized by DEQ that the 2035 target could be met strictly by electrification. DEQ wanted to make sure that there is also the need to decrease the carbon intensity of any remaining fuels used. As shown by the Annual Deficits line in this simulation, the targets will be difficult to reach without using credits starting in 2027 and especially after the increase in yearly reduction rate after 2030.



Hydrogen

DEQ is proposing that hydrogen used to generate advance credits must meet a maximum carbon intensity of 117 gCO₂e/MJ. This is a carbon intensity that is consistent with hydrogen produced from non-fossil fuels. Should DEQ consider a different threshold and why?

We are pleased to see hydrogen's being included as an option in the Program. We would prefer to see the thresholds set or a specific requirement be included so that the hydrogen will be produced by electrolysis, not by using natural gas, even if it is considered biogenic or carbon capture and storage would be provided.

Program Review

DEQ is proposing to conduct a review of the Clean Fuels Program in 2029 to be submitted to the Environmental Quality Commission. The purpose of the review is to provide an update of the program's metrics and recommend whether additional changes should be made to carbon intensity targets for 2030 and beyond. Should DEQ consider a different year to conduct the review and why?

We agree that 2029 is an appropriate time for the review.

Penalties

We appreciate that "each deficit not complied with if the entity does not participate in the Credit Clearance Market or illegitimate credit" generates a separate violation. The League supported this in the generation of the rules for the Climate Protection Program (CPP) because we believe the cost of non-compliance should be significantly larger than the cost of compliance. As in the CPP, there are options to buy credits that can be used to cover potential deficits.

Multiple Claims of Environmental Attributes

It is proposed to update the provisions "to protect against multiple claims of the environmental attributes associated with renewable natural gas. This includes a new requirement for electronic tracking of the claims and clarifying the attestation language regarding book-and-claim transfers when electronic tracking does not take place."

We have been concerned about the use of credits containing only the environmental attributes of renewable natural gas and especially the possibility of the same credits multiple times, so we are pleased to see this change included.

We appreciate the effort you have taken in developing these rules and thank you for the opportunity to provide comments.



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