



Oregon Climate Authority (SB928)

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1. Functions: Current and Future States

Current

Future

EQC

Climate Board

DEQ

DAS

ODOE

OCA

GHG
Reporting

Carbon Policy

- Climate and Energy Programs
- Energy Facility Siting
- SELP
- Nuclear Safety

- Climate and Energy Programs
- Carbon Policy
- Cap and Trade Program
- GHG Reporting

Global
Warming
Commission

OBDD: SELP
(closing out)

Moving by
7/1/20:
• Energy
Facility Siting
• Nuclear
Emergency
Prep



2. Sequencing

- Phase I: Setup (Jul-Dec 2019)
- Phase II: Preparation (Jan-Jun 2020)
- Phase III: Pre-Launch (Jul-Dec 2020)
- Phase IV: Launch (Jan 2021+)



2. Phase I: Setup (Jul-Dec 2019)

Key Tasks

- Carbon Policy Office moves to OCA and begins work as interim managers
- Global Warming Commission Sunsets
- Climate Board appointed and confirmed
- Permanent OCA Director recruited and confirmed
- Rulemaking begins
- OCA Climate Division Hiring
- SELP moves to OBDD
- Energy Programs Workgroup submits final recommendations



2. Phase II: Preparation (Jan-Jun 2020)

Key Tasks

- Legislature approves final placement of EFSC, Nuclear Safety
- ODOE completes transition of Energy Programs Division and staff
- Further rulemaking for climate program
- All hiring completed for OCA
- Establish relationship with WCI, Inc. to administer allowance auctions
- Begin discussions with other jurisdictions around formal linkage
- Carbon policy office and ODOE officially end by 6/30/20



2. Phase III: Pre-Launch (Jul-Dec 2020)

Key Tasks

- All regulated entities registered with WCI, Inc.
- Auction platform with WCI, Inc. readied for Oregon use.
- Rulemaking completed



2. Phase IV: Launch (Jan 2021+)

Key Tasks

- Compliance obligations and allowance allocations begin
- First auctions completed
- New ESA cap and eligible usage operable
- GHG program transitioned from DEQ to OCA



2. Sequencing Visual Timeline

7/1/19

1/1/20

7/1/20

1/1/21

Current	Phase I	Phase II	Phase III	Phase IV
<p>2019 Session</p> <ul style="list-style-type: none"> Recruit acting interim director Recruit acting interim board 	<p>Setup</p> <ul style="list-style-type: none"> Rulemaking begins CPO moves to OCA and begins work as interim managers Recruitment Appointments + confirmations by Senate Establish relationship with WCI, Inc. 	<p>Preparation</p> <ul style="list-style-type: none"> Legislature approves final placement of EFSC, NSEP ODOE completes transition of Energy Programs Division and staff All OCA hiring completed Linkage discussions begin 	<p>Pre-Launch</p> <ul style="list-style-type: none"> All regulated entities registered with WCI, Inc. Auction platform readied for Oregon use. Rulemaking completed 	<p>Launch</p> <ul style="list-style-type: none"> Compliance obligations and allowance allocations begin First auctions completed New ESA cap and eligible usage operable GHG program transitioned from DEQ to OCA



3. Climate Programs Oversight Boards, Commissions and Task Forces

SB928

- Sunset: Global Warming Commission upon start date of OCA, Jul 2019
- Create: Oregon Climate Board by Sep 2019
- Create: Energy Programs Work Group by Jul 2019
- Modify: Energy Advisory Work Group

HB2020

- Create: Citizen Advisory Committee on Climate (2021)
- Create: Compliance Offset Program Advisory Committee (2020)
- Modify: Specific roles for Env. Justice Task Force (2021)



3. Oregon Climate Board

Voting Members subject to Senate Confirmation:

The nine members of the board appointed under this subsection must be residents of this state well informed in energy and climate issues and shall include the following:

- One member who is a tribal representative;
- Two members who are representatives of the energy sector;
- One member who represents environmental interests;
- One member who is an economist or who has experience and expertise in state finance;
- One member who represents industrial energy users;
- One member with expertise in transportation issues; and
- Two at-large members.



3. Oregon Climate Board

Ex- Officio Non-Voting Members

- The Director of the Oregon Climate Authority;
- One Republican Legislator on a climate-related committee jointly appointed by the Senate President and House Speaker
- One Democratic Legislator on a climate-related committee jointly appointed by the Senate President and House Speaker
- Governor's policy advisor on issues related to climate
- One member who represents the Oregon Climate Change Research Institute; and
- The chairperson of the Environmental Justice Task Force.

4. Funding Sources Transition

Reduce and focus ESA immediately; use GF during pre-launch and allowance proceeds after program launch

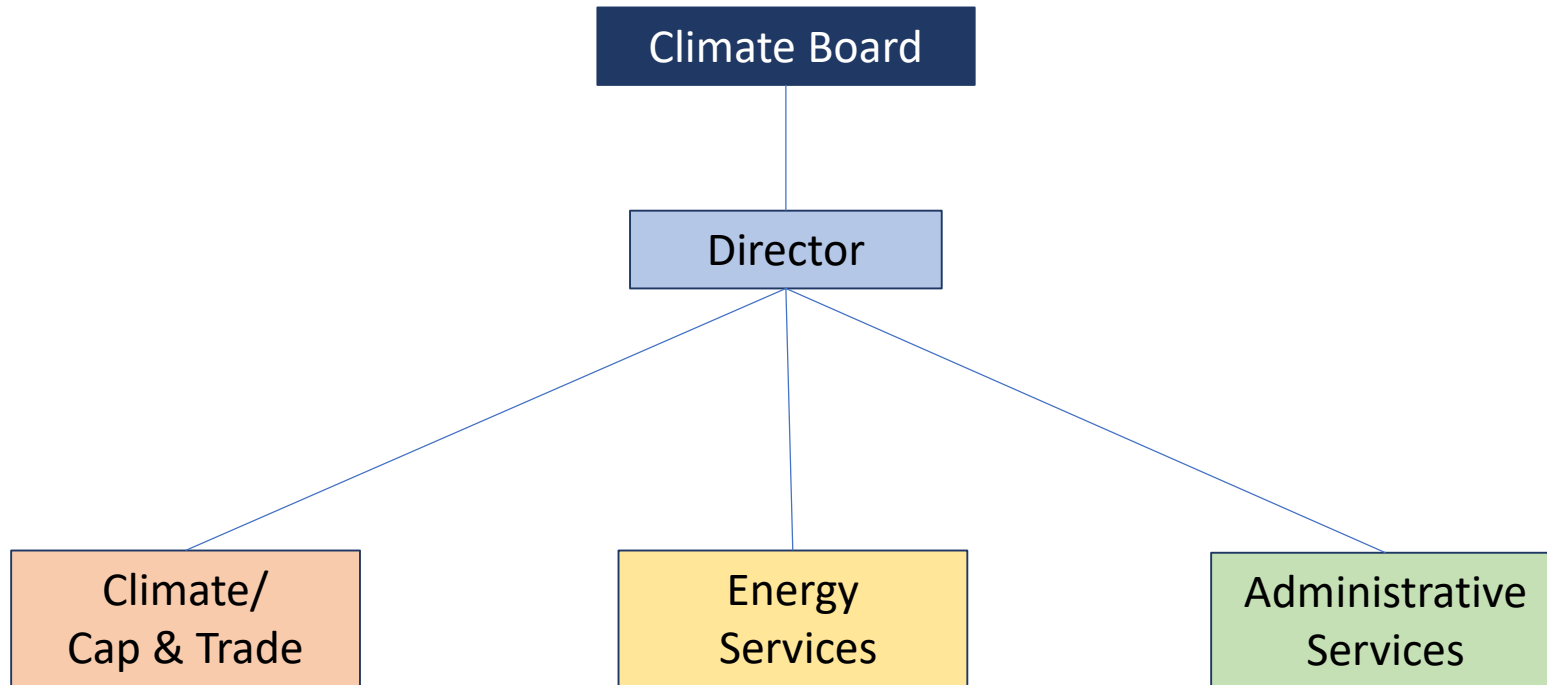


	Immediate through pre-launch (Jul 2019-Dec 2020)	Launch (Jan 2021+)
GHG Reporting	GHG reporting fees	GHG reporting fees
Core energy programs	ESA	ESA
Energy Facility Siting	EFSC fees + ESA	EFSC fees + ESA
Nuclear safety	Federal funds + ESA	Federal funds + GF
Climate and Cap and trade program	General Fund	Cap and trade allowance proceeds
OCA administration	Proportional: ESA and GF	Proportional: ESA and C&T proceeds

ESA: Immediate reduction of 25%



5. Oregon Climate Authority Structure





6. Staffing

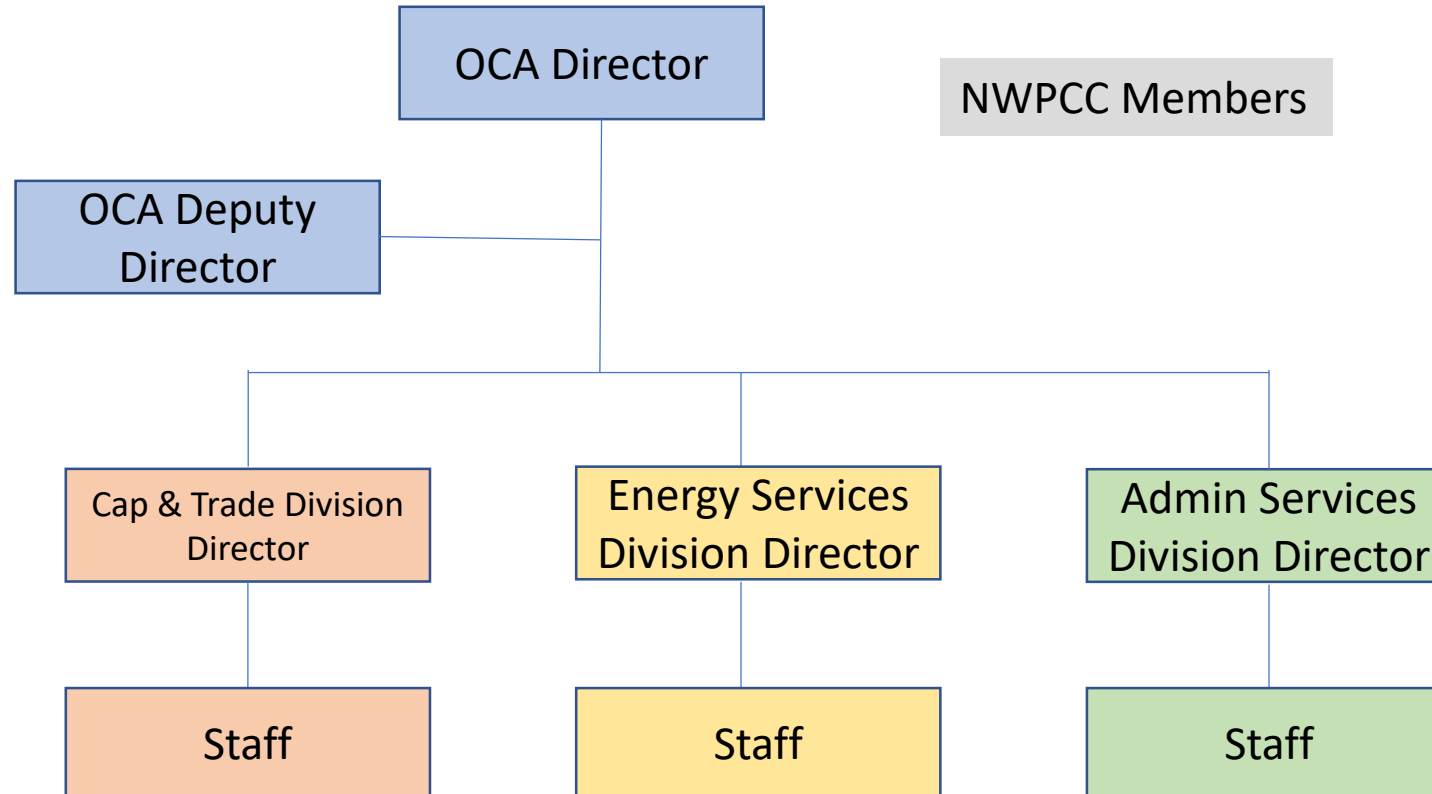
Outlined in Governor's Requested Budget

112 Positions Total for 2019-2021:

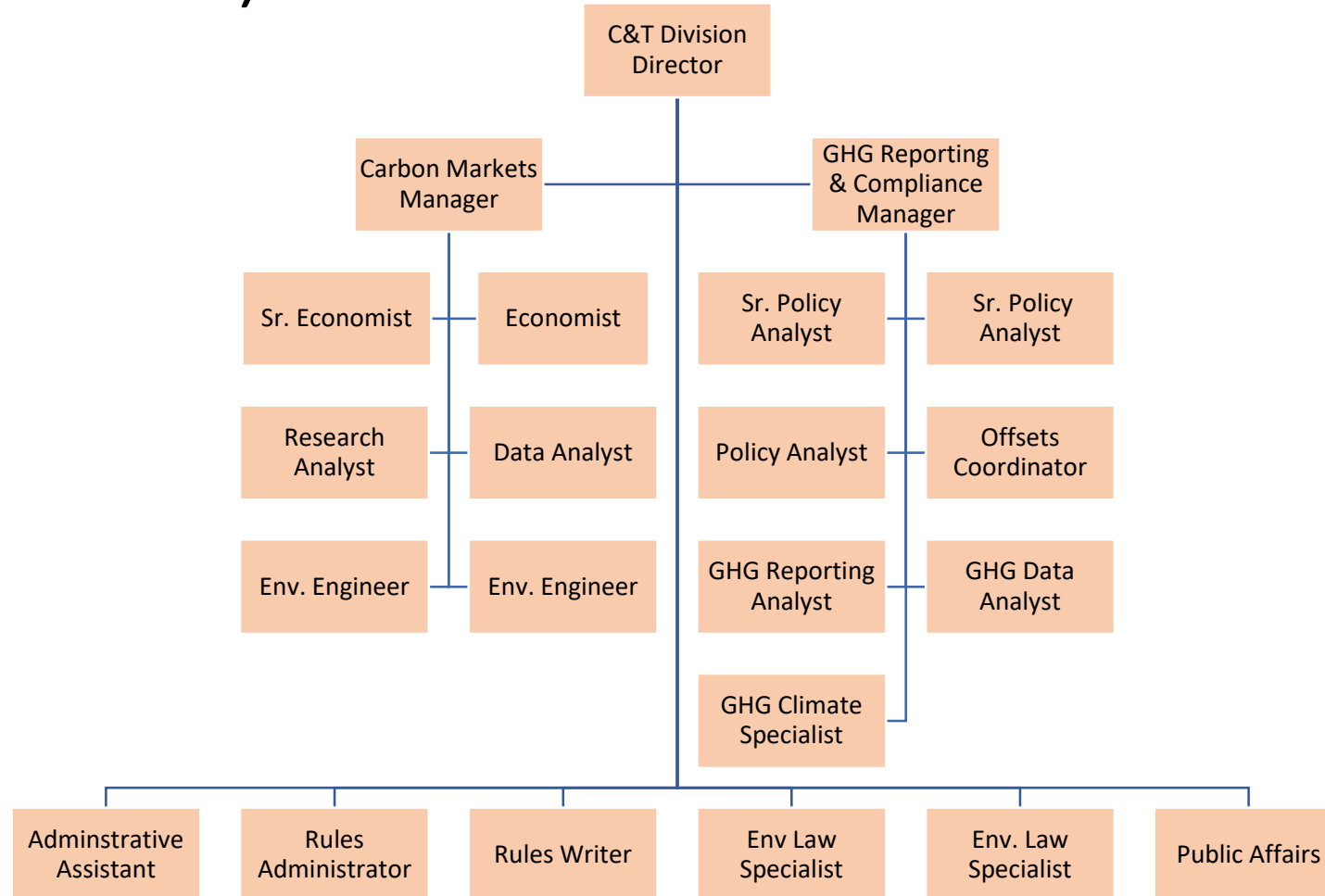
- 25 new positions to implement cap and trade
- 4 current positions transferring from GHG Reporting at DEQ
- 83 current ODOE positions transferring to OCA



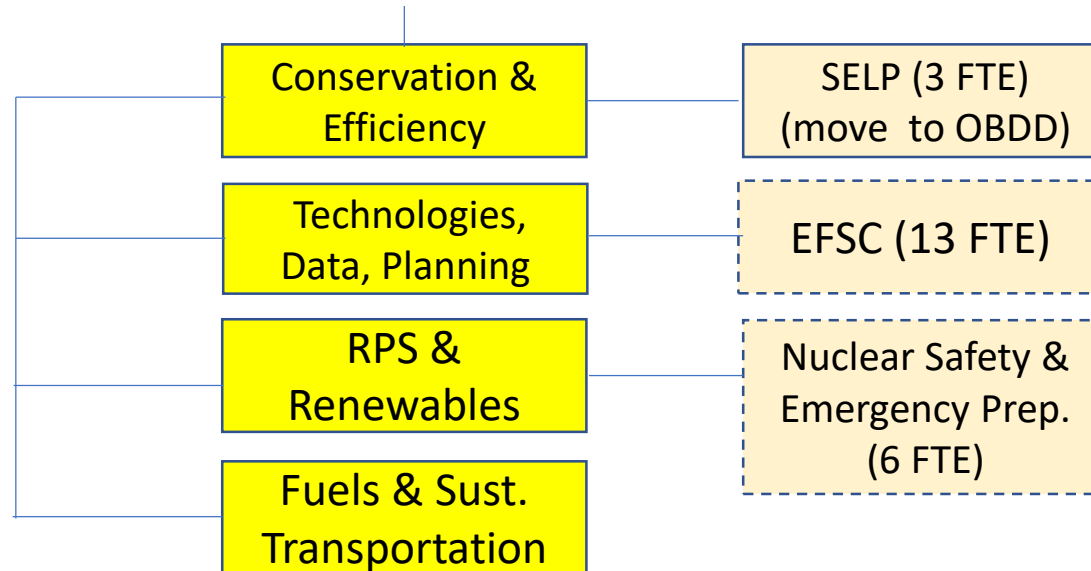
6. Staffing (agency leadership)



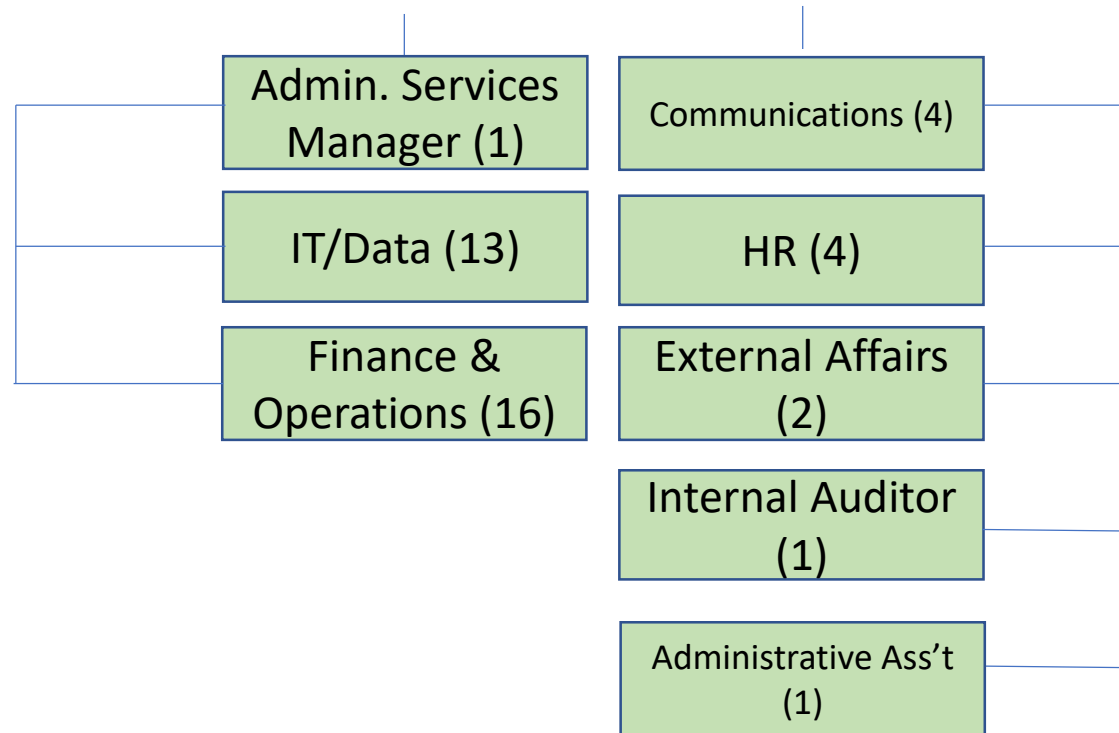
6. Staffing (Climate/Cap and Trade) (22 positions)



6. Staffing (Energy Services 2019-2021) (44 positions)



6. Staffing (Administrative /Director's Office) (42 positions)





6. Staffing

	July –Aug. 2019	Sept.-Dec. 2019	Jan-June 2020	June-June 2022
Staffing & Hiring – GHG Program	<ul style="list-style-type: none"> • DEQ fills vacant positions. 	<ul style="list-style-type: none"> • DEQ finishes hiring for GHG positions. 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • 4 GHG positions at DEQ move to OCA
Staffing & Hiring – Cap & Trade	<ul style="list-style-type: none"> • DAS creates OCA accounting systems. • Gov. appoints interim director; recruits permanent director. • Carbon Policy Office provides staffing support/continuity. • Interim director begins hiring with DAS HR support. • Interim director signs interagency agreements with DEQ/DAS/ODOE for IT and staffing support. 	<ul style="list-style-type: none"> • Permanent director appointed, Senate approved. • Director continues hiring, with DAS or ODOE HR support. • DAS begins process of closing out ODOE. 	<ul style="list-style-type: none"> • Director continues hiring with OCA/ODOE joint HR support. • Begin preparing ODOE staff for transition in June. • DAS closing out ODOE, transfers programs, accounts to OCA. 	<ul style="list-style-type: none"> • ODOE is closed; programs and staff transferred to OCA; or identified to move elsewhere. • Hiring for C&T program completed. • OCA fully independent.

7. Rulemaking



HB2020 Initial Development Process (assumes bill passes June 30, 2019)	2019						2020						2021																							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec						
GHG Reporting Program																																				
Tasks (assumes work can begin immediately)																																				
Rulemaking (more detailed requirements, marketers, etc.)																																				
Rulemaking (3rd party verification)																																				
Approve 3rd party verifiers																																				
Design & integrate new software @ OCA																																				
Core cap-and-trade program																																				
Tasks																																				
Contracting w/ WCI, Inc.																																				
Integrate WCI systems w/ state systems																																				
Rulemaking (cap setting)																																				
Rulemaking (compliance obligations, point of regulation)																																				
Rulemaking (registration - basic requirements, timing, enforcement)																																				
Regulated entities registration process																																				
Rulemaking (enforcement, first phase - later rulemakings for add'l enforce.)																																				
Contract for identifying EITEs for opt-ins																																				
Rulemaking (product output reporting, best available technology benchmarking)																																				
Contractor(s) to assist w/ product definitions																																				
Collect prior 3 years of product data (3rd party verification)																																				
Rulemaking (allocation & reserve accounts)																																				
Work w/ PUC on forecasts for IOUs & LDC low-income																																				
Rulemaking (offsets: adopt existing WCI protocols, processes for review/award)																																				
Offsets: form advisory committees and explore opportunities																																				
Rulemaking (designate impacted communities)																																				
Rulemaking (market rules - floor, APCR, ceiling, holding/prurchase limits, disclosure, etc.)																																				
Rulemaking (methods for distributing auction proceeds)																																				
Linkage discussions w/ jurisdictions																																				
Investment Plan - Set up Citizens Committee																																				
Investment Plan - Report																																				



7. Rulemaking Process

	July –Aug. 2019	Sept.-Dec. 2019	Jan-June 2020	July 2020- June 2022
Rulemaking - GHG Program	<ul style="list-style-type: none"> DEQ & OCA start joint rulemaking related to GHG reporting requirements. 	<ul style="list-style-type: none"> DEQ & OCA continue joint rule making for GHG reporting requirements. 	<ul style="list-style-type: none"> DEQ & OCA finish joint rulemaking for GHG reporting requirements. 	<ul style="list-style-type: none"> GHG program transfers to OCA. OCA takes over all future rulemakings for GHG reporting requirements.
Rulemaking – Cap & Trade	<ul style="list-style-type: none"> Interim director, carbon policy office staff prepare for rule making, with staff support from DEQ/DAS/ODOE. 	<ul style="list-style-type: none"> OCA conducts rulemaking with DEQ/DAS/ODOE staff support. Climate Board hears rules/issues recommendations. Director adopts rules. 	<ul style="list-style-type: none"> OCA conducts rulemaking with DEQ/DAS/ODOE staff support. Climate Board hears rules/issues recommendations. Director adopts rules. 	<ul style="list-style-type: none"> Program rules finalized. Rulemaking process entirely staffed by OCA. Climate Board hears rules/issues recommendations. Director adopts rules.



8. IT Timeline

Current	July -Dec. 2019	Jan-June 2020	June-January 2021
<ul style="list-style-type: none"> • CIO's office conducting IT needs assessment • Assessment focused on software, GHG reporting systems, interoperability with WCI, Inc; and data security. 	<ul style="list-style-type: none"> • OCA shares ODOE IT system for core IT needs/support. • Specifications for building GHG reporting system software at OCA identified. • Data security needs/protocols identified. • Stage Gate process starts. 	<ul style="list-style-type: none"> • GHG reporting program systems built at OCA. • Other software/security needs identified and implemented. • Core IT system and staffing support shared with ODOE. • WCI, Inc platform prepared for OR C&T program by WCI staff. 	<ul style="list-style-type: none"> • GHG reporting systems at OCA finished. • GHG reporting data transferred from DEQ. • OR accounts established at WCI, Inc. • OR ready to conduct auctions on WCI, Inc. platform.