

CHANGES ANTICIPATED IN THE -84s

The posting and presentation of the -31s in March provoked responses from a number of state agencies and stakeholders that made us aware of necessary technical fixes. In addition, we have had continued discussions with advocates and stakeholders representing a variety of positions, and have received suggestions in the form of amendment proposals from legislators. Following are changes reflected in the final round of substantive policy amendments, HB 2020-84.

- The results of discussions with Northwest Natural on how best to reduce emissions and reduce impacts on utility residential and commercial natural gas customers. In addition to the free allowances that they will be given directly in order to shield low-income customers from the effects of any rate increases, the utilities will be allocated a number of free allowances that they must put up for sale at auction - this process is known as consignment. The proceeds from those sales of consigned allowances must be used for the benefit of customers and to reduce emissions, all under the supervision of the PUC.
- A portion of proceeds from the Climate Action Program will be used for grants and loans to assist their commercial/industrial customers in upgrading or replacing less efficient equipment.
- Revenues from the sale of allowances for other home heating fossil fuels (e.g., propane, diesel) will be used for LIHEAP-type weatherization and bill-assistance programs.
- Clarifying program oversight by Carbon Policy Office.
- 20% of the Climate Investments fund reserved for direct investments in programs that enhance natural and working Lands (e.g., irrigation modernization, forest health, smoke management, measures to counter ocean acidification).
- Further clarification of the process of making investments decisions.
- Further clarification of how the EITE (and opt-in EITE) Best-Available-Technology process will work:
 - Benchmarks reviewed every 9 years.
 - Findings can be appealed via contested case hearing.
 - Clarity that EITE's are responsible for their own natural gas compliance obligations, eligible for free allowances up to 95% of their obligations if they are at Best Available Technology.
- Clarification of how COUs will be protected from unusually poor hydro years via allowance reserves.
- Encourages early adoption of new offset projects. Once offset rules are adopted, some types of offset projects will be able to earn offset credits retroactive to the passage of HB 2020 instead of starting in 2021.

- ODF reports regularly on level of sequestration in the forestry sector, including the impact of forest offset programs on wood-products supply. Offset advisory committee will consider impact on mills when designing offset protocols. Goal is to sequester more carbon in Oregon's forests without reducing supply for Oregon's mills.
- Clarifies that all emissions related to electricity generated in this state will be regulated under the program.
- Coastal communities called out as impacted communities
- The section on the Transportation Decarbonization Investments Account includes examples of emissions-reduction and adaptation/resiliency projects.
- Clarifies that Just Transition training plan includes input from the Oregon Workforce and Talent Development Board, Employment Department, and BOLI, and specifies that the advisory committee includes both management and labor.
- Specifies membership of the Oregon Climate Board and the 13-member Investments Citizens Advisory Committee.
- Housing and Community Services directed to develop a comprehensive program to assist low-income residential customers in reducing their emissions.
- Business Development Department directed to develop a revolving loan program for industrial and commercial facilities and bring back to the Legislature for approval.
- Authorizes the PUC to include alternative transportation fuels that reduce greenhouse gases in its rate-setting priorities.
- GHG Reporting and compliance oversight initially remains with DEQ.
- Adds youth training in natural/working lands to the list of allowable uses of Climate Investments Fund.