

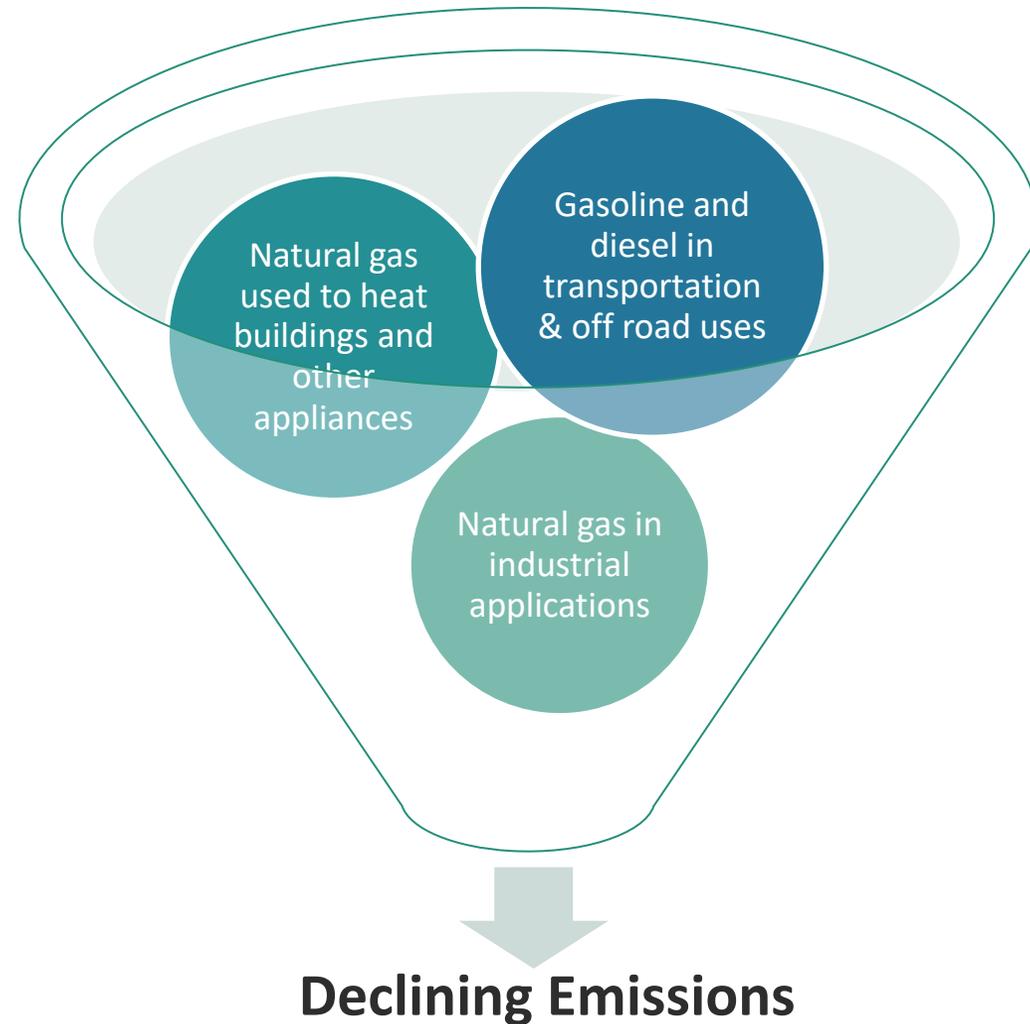
Climate Protection Program

Joint Task Force on Resilient Efficient Buildings

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Climate Protection Program: Significant New Program

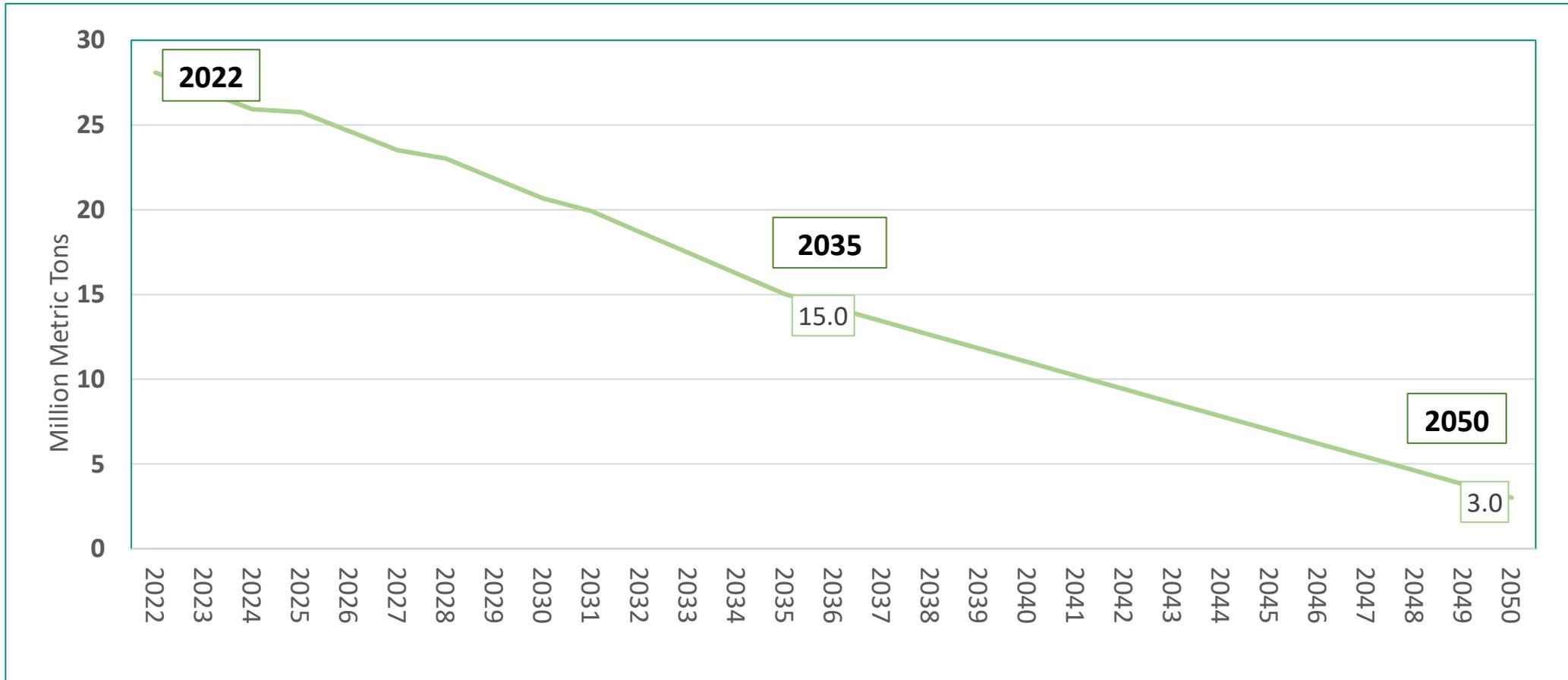
- New regulatory program
- Mandatory limits on GHG emissions from fossil fuel use
- 2nd state to set limits on GHG emissions from fossil fuels used in transportation and buildings
 - Natural gas utilities
 - Liquid and gaseous fuel suppliers



Climate Protection Program: The Cap

50% emissions reduction by 2035

90% emissions reduction by 2050

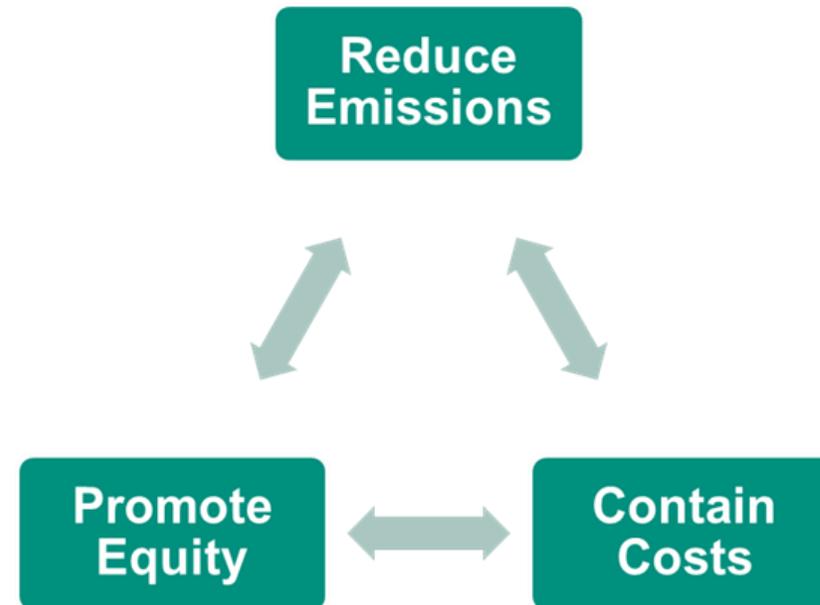


Climate Protection Program: Goals



Environmental justice communities include communities of color, communities experiencing lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure

- ↑ Greater pollution exposure
- ↑ Greater impacts of climate change
- ↓ Less representation in public processes
- ↓ Less access to new, clean technologies



Climate Protection Program: Compliance Instruments



- DEQ distributes compliance instruments to each fuel supplier
- Fuel suppliers use compliance instruments to comply with the program
- Total number of compliance instruments = cap each year
- Flexibility: Unused compliance instruments can be banked or traded

Climate Protection Program: Reducing Emissions

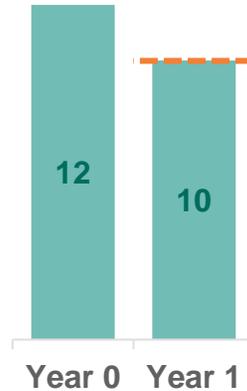
- Increase mix/use of biofuels
- Increased electrification
- Demand response/efficiency
- Future technologies (i.e., hydrogen or carbon capture and storage)

Climate Protection Program: Illustrative Example



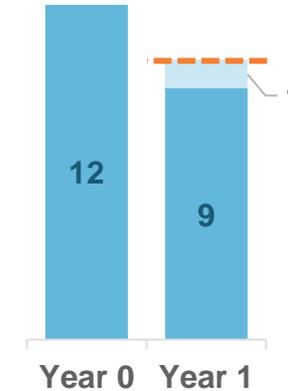
Entity A Natural gas utility

Reduces emissions via energy efficiency & renewable natural gas



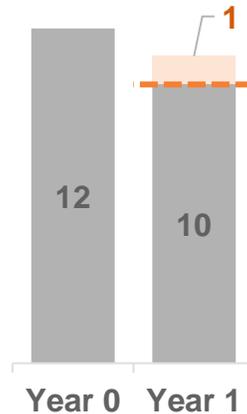
Entity B Transportation fuel supplier

Reduces emissions with increased sale of biofuels beyond program requirements; sells extra instrument



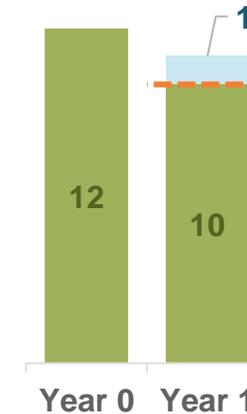
Entity C Natural gas utility

Not enough reductions; provides funds to procure CCI credits



Entity D Natural gas utility

Not enough reductions; buys compliance instrument from B



Community Climate Investments (CCIs)

- Fuel suppliers can use a limited number of CCI credits
 - CCI credits can be used like the compliance instruments
 - Each credit allows supply of fossil fuels = 1 metric ton CO₂e
- Earn CCI credits by contributing funds to CCI third-party entities
- CCI funds
 - Projects reduce anthropogenic greenhouse gas emissions in Oregon
 - Cost to implement projects and related costs (reporting to DEQ, capacity building)



Community Climate Investments: Project Priorities

- Reduce greenhouse gas emissions on average at least one ton/per credit
- Reduce emissions of other air contaminants, particularly in and near environmental justice communities
- Promote public health, environmental, and economic benefits for EJ communities to mitigate impacts from climate change, air contamination, and energy costs
- Accelerate transition away from fossil fuels in/or near EJ communities

Community Climate Investments: Projects

Communities central to project selection



Potential project options

- Public transit expansion with electric options
- Electric heat pump and water heater installations
- Home and building energy efficiency improvements
- Freight fleet conversions to non-fossil fuels

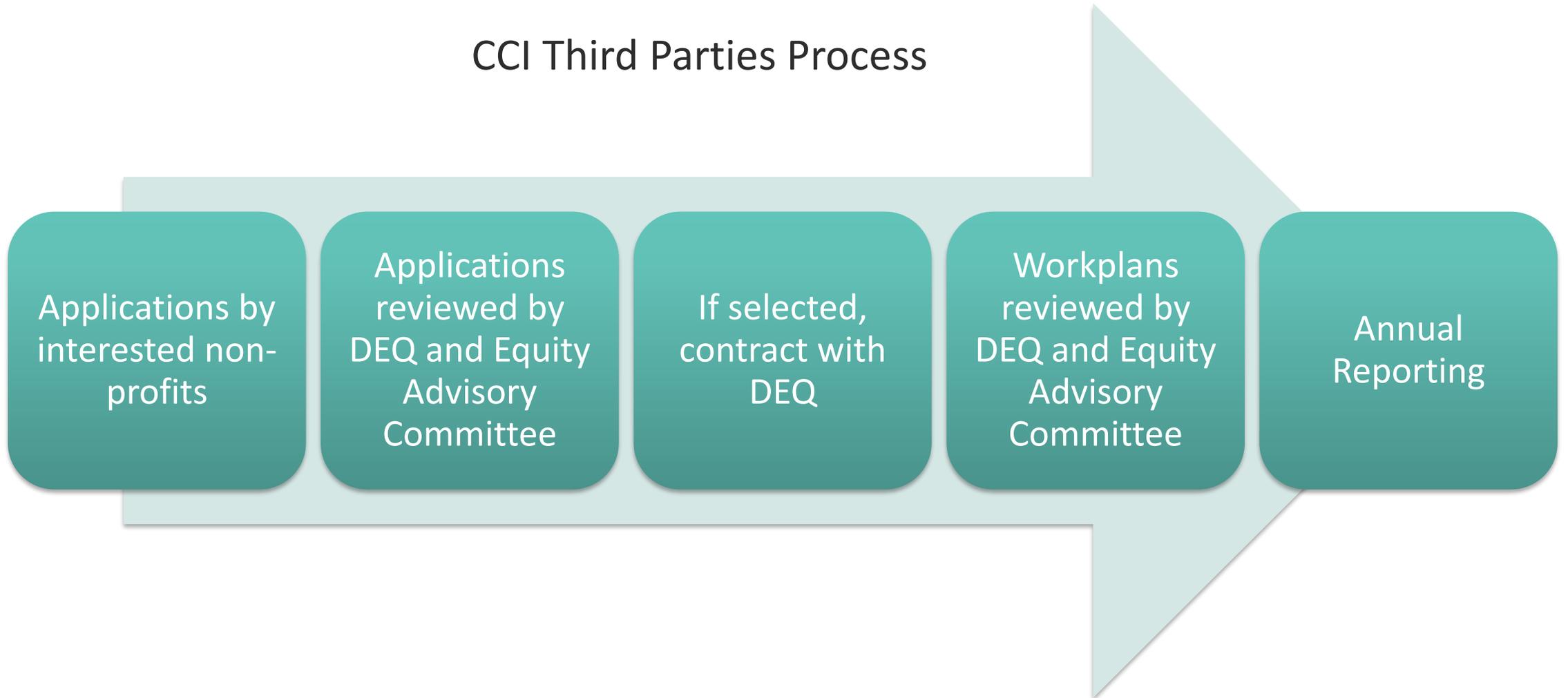


- Could include rebates or cost-shares
- Could be new projects or expansion of existing program
- Could be partnered with existing funds and programs

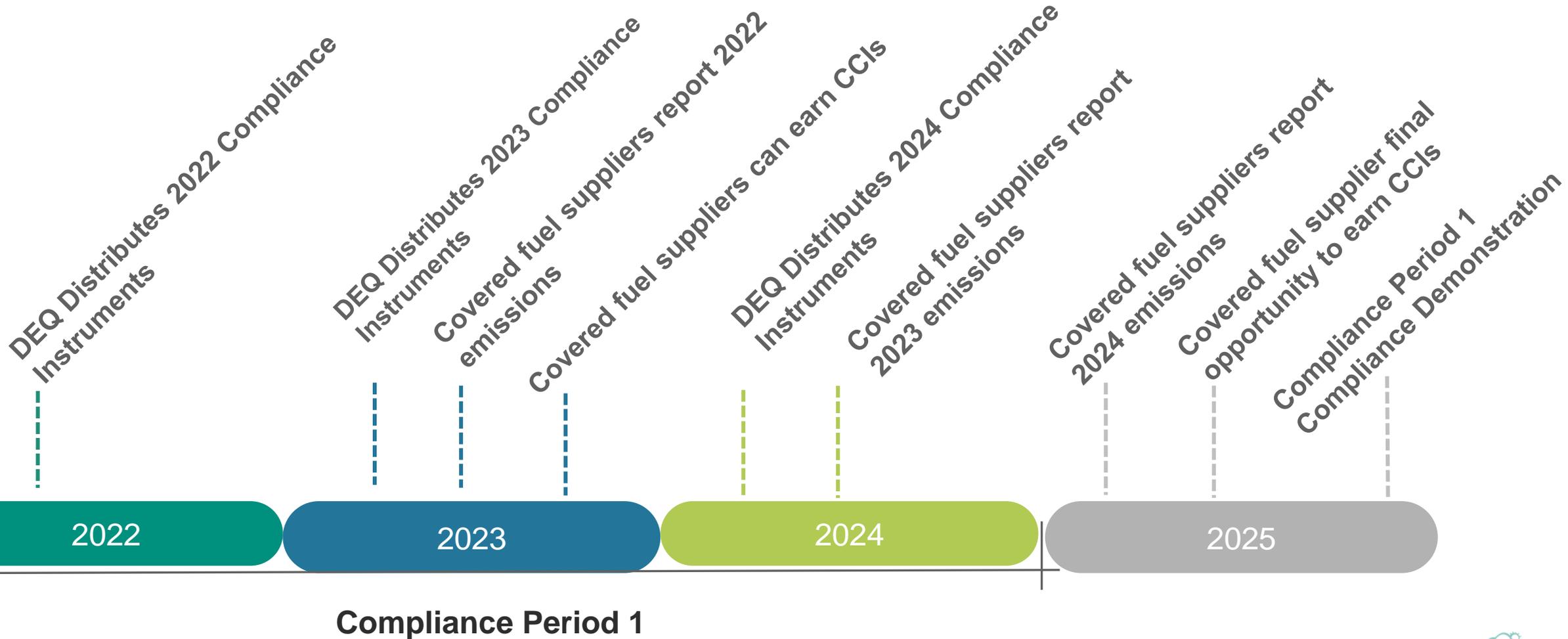


CCIs: Accountability & Transparency

CCI Third Parties Process



Climate Protection Program: First Compliance Period



CCI Third Party Entities: Process

- Application
 - Applicant must be a 501(c)(3) nonprofit organizations, but not subcontractors
 - Applicant or subcontractors cannot be covered fuel suppliers or their related entities
 - Evaluate the overall ability of applicant to use CCI funds
- Written Agreement
 - Written agreement (contract) must be in place before entity is authorized to receive CCI funds
- CCI funds
 - Must keep separate from entities' other funds and responsibly manage unspent CCI funds
 - Must complete an independent financial audit annually
 - Must accept funds from covered fuel suppliers and provide a receipt

CCI Third Party Entities: Process

- Work plan
 - May only spend CCI funds and start work according to approved work plan
 - Description of types and locations of the projects
 - Budget(s)
 - Calculation methodologies to estimate emissions reductions
 - How projects will support the purposes of CCIs
- Annual reports on work conducted and projects completed
- Approval can be suspended, revoked, or voluntarily withdrawn

Equity Advisory Committee

- Key partner for Community Climate Investments program
- Represents multiple areas of expertise, interest, and lived experiences
 - Environmental justice
 - Impacts of climate change on communities in Oregon
 - Impacts of air contamination on communities in Oregon
 - Greenhouse gas emissions reductions and climate change
- Represents multiple regions across Oregon



CCIs: Accountability & Transparency

- DEQ Reporting
 - Third party documentation
 - Fund contributed to third parties
 - Number of CCI credits DEQ has awarded
 - Reporting on project outcomes
 - Number of participating families, citizens, businesses
 - Communities being served
 - Estimated GHG emissions reductions
 - Estimated co pollutant reductions
 - Estimated energy reductions and savings
- 2 Year CCI Program review

Climate Protection Program: Context

Leverages complementary state greenhouse gas emissions reductions program

- Helps entities comply with CPP
- CPP limits drive further emission reductions
- Make individual programs more impactful
- Reduce costs of individual programs
- Most complementary initiatives focus on transportation sector

