

Climate Protection Program 2024 Rulemaking

House Climate, Energy, and Environment Committee

September 23, 2024

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Today's agenda



Climate Protection Program & Legislative involvement



DEQ's 2024 process to reinstate CPP



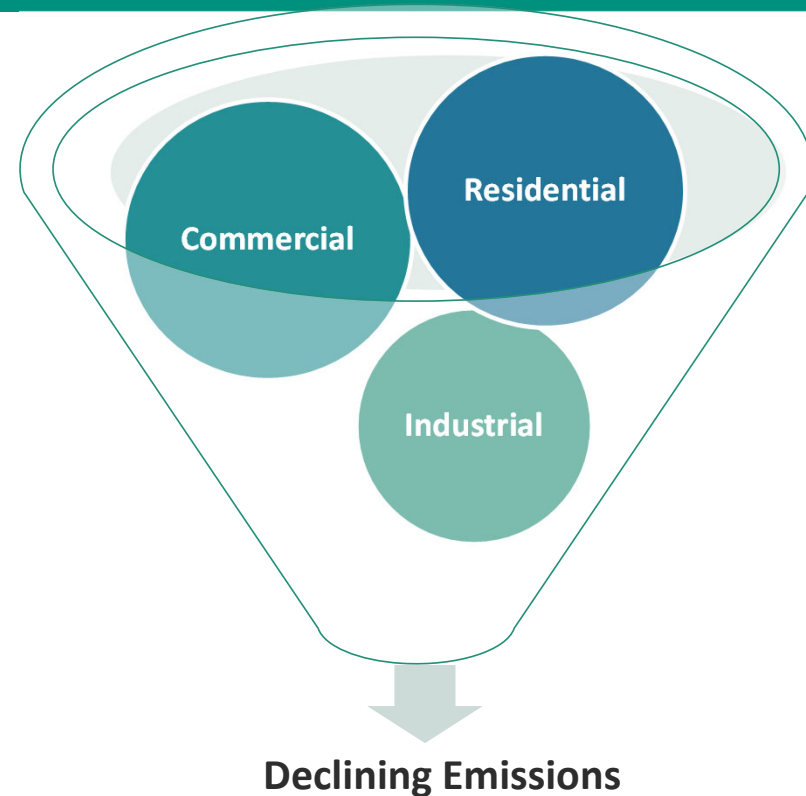
Key differences in proposed rule v. prior program



Themes in public input thus far

Climate Protection Program

- Mandatory limits on GHG emissions
 - **50% reductions by 2035**
 - **90% reductions by 2050**
- Fossil fuels
 - Natural gas
 - Gasoline
 - Diesel
 - Propane



Legislative involvement in CPP

- 2020 Emergency Board:
 - Appropriated \$5 million to DEQ for “rulemaking and other actions with the goal of reducing greenhouse gas emissions
 - “across all sectors, including point sources, natural gas and transportation fuels”
- 2023 Legislature:
 - Authorized Environmental Quality Commission to establish a fee on CPP Community Climate Investment entities
 - Funds DEQ “administering and overseeing” CPP Community Climate Investment

Why CPP 2024 rulemaking?

- In December 2023, Oregon Court of Appeals invalidated CPP 2021 finding that DEQ failed to notice rules correctly
- Reestablish climate program in place of CPP 2021
- Build off original CPP development and 2 years of program implementation
 - Comparable program scope and ambition
 - Open to new ideas for program design
 - Adjustments for 2025 program start

Changes from prior program

Industrial leakage prevention: Emission Intensive Trade Exposed businesses

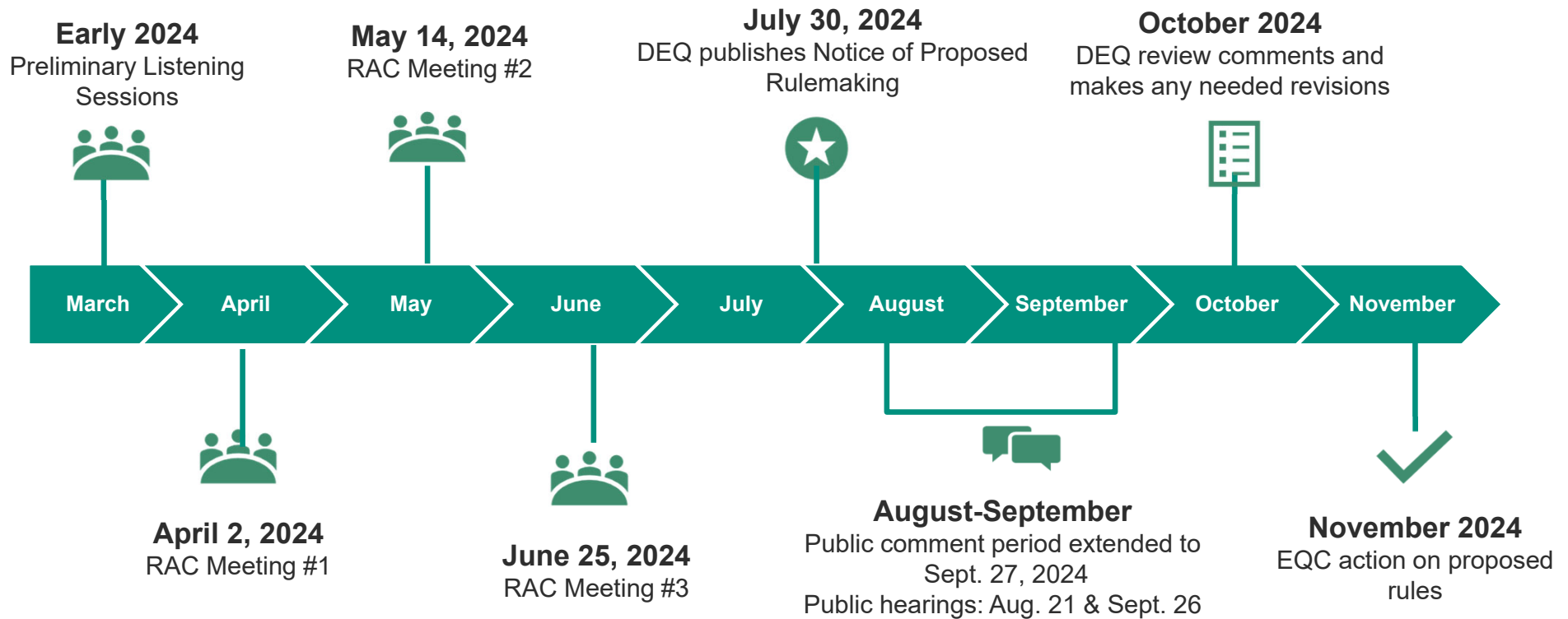
Cost containment for gas utility ratepayers

Recognition of early emissions reductions prior to 2025

Shortened compliance periods

Improved Community Climate Investment oversight and accountability

CPP 2024 rulemaking timeline



Public comment themes to date

- Support for re-establishing the CPP protection without delay
- Support for similar emissions reduction and scope
- Support by fuel suppliers for recognition of emissions reductions prior to 2025
- Concern that early action instruments will delay CCI investments and penalize EJ communities



Public comment themes to date

- Industry requests to allow for cheaper offsets credits in place of reducing emissions
- Concerns about impacts to natural gas customer bills
- Broad support for inclusion of EITEs as regulated entities
- Industry interest for output-based allocation for EITEs immediately



Questions?

- CPP 2024 rulemaking webpage: [www.oregon.gov/deq/rulemaking/Pages/ CPP2024.aspx](http://www.oregon.gov/deq/rulemaking/Pages/_CPP2024.aspx)
- Submit written comment by email to: CPP.2024@deq.Oregon.gov
- Deadline for comments: In response to request, extended from Aug. 30, 2024, to **Sept. 27, 2024, at 4 p.m.**

Title VI and alternative formats

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