Clean Fuels Program Phase II Rulemaking

DEQ recommendation to the EQC

DEQ recommends that the Environmental Quality Commission:

Adopt the proposed rules in Attachment A as part of chapter 340 of the Oregon Administrative Rules.

Overview

SHORT SUMMARY

DEQ proposes to amend and adopt Oregon Clean Fuels Program rules under division 253 of chapter 340 of the Oregon Administrative Rules. The proposed phase 2 rules would:

- Implement House Bill 2186 (2009) by establishing clean fuel standards to reduce greenhouse gas emissions from Oregon’s transportation fuels by 10 percent over a 10-year period.
- Require importers of transportation fuels to reduce the average carbon intensity of fuels they provide in Oregon to meet the annual clean fuel standards. To meet the standards, regulated parties would select the strategy that works best for them, such as incorporating more lower-carbon biofuels, natural gas, biogas, propane or electricity into its fuel mix, or by purchasing clean fuel credits from providers of clean fuels.
- Allow providers of clean fuels to generate and sell clean fuel credits for the fuels they provide in Oregon.
- Modify the definition of fuel importer to be the owner of the fuel when it crosses into Oregon.
- Establish fuel supply and fuel price deferrals to contain the costs of the program.

BRIEF HISTORY

The 2009 Oregon Legislature passed House Bill 2186 authorizing the Oregon Environmental Quality Commission to adopt rules to reduce lifecycle emissions of greenhouse gases from Oregon’s transportation fuels by 10 percent over a 10-year period.
DEQ’s Clean Fuels Program Phase 2 Rules Advisory Committee raised questions about when Oregon must implement the Clean Fuels Program. After consulting with the Oregon Department of Justice, DEQ concluded that EQC has statutory authority to adopt Oregon’s implementation schedule to achieve 10 percent reduction in fuel carbon content by the end of any 10 year period. Therefore, DEQ proposes to implement the clean fuels standards in the 2015 to 2025 timeframe.

Oregon started fuels reporting (phase 1) of the Clean Fuels Program on Jan. 1, 2013, after EQC adopted rules in December 2012. Phase 1 rules require Oregon fuel producers and importers to register, keep records and report the volumes and carbon intensities of the transportation fuels they provide in Oregon.

REGULATED PARTIES

The Clean Fuels Program regulates Oregon producers and importers of transportation fuels for use in Oregon. The proposed rule defines importers as the owners of the transportation fuel when it crosses into Oregon.

REQUEST FOR OTHER OPTIONS

During the public comment period, DEQ requested public comment on whether to consider other options for achieving the rules’ substantive goals while reducing the rule’s negative economic impact. Options could include:

- Using different values to establish the baseline year and annual clean fuel standards;
- Using different ways to ensure the program includes the most recent science regarding lifecycle emissions of greenhouse gases of transportation fuels;
- Identifying who must comply with the proposed rules including how and when to retain or transfer that responsibility;
- Identifying who is best suited to generate credits including how to ensure a robust credit generation process;
- Using different ways to encourage providers of clean fuels to participate voluntarily in the program to generate credits; and
- Identifying alternative mechanisms to control the costs of complying with the program.
WHAT NEED WOULD THE PROPOSED RULE ADDRESS?

Climate change poses a serious threat to Oregon’s economy, environment and public health. Transportation sources account for approximately one third of all greenhouse gas emissions in Oregon. The goal of the Clean Fuels Program is to reduce greenhouse gas emissions from Oregon’s transportation fuels.

EQC’s authority to adopt these rules will expire in 2015 under the current legislation. The commission adopted phase 1 rules in 2012, but Oregon needs phase 2 rules to provide the Oregon Legislature a fully realized and adopted clean fuels program and allow the legislature to use that information to determine whether to lift the sunset.

HOW WOULD THE PROPOSED RULE ADDRESS THE NEED?

The proposed rules would:

- Supplement the existing phase 1 reporting requirements;
- Implement phase 2 program requirements to reduce the average carbon intensity of Oregon’s transportation fuels;
- Provide flexibility for regulated parties to comply with the Clean Fuels Program; and
- Add ways for DEQ to monitor and manage the program’s impact on fuel supply and price.

HOW WILL DEQ KNOW THE RULE ADDRESSED THE NEED?

DEQ will monitor compliance with the clean fuel standard through quarterly and annual fuel reports submitted by fuel importers and providers of clean fuels. DEQ will use the information to gauge progress towards meeting the program’s goals. DEQ will also review the program periodically to make changes as necessary in response to new science or policy developments.
BENEFITS

The primary benefit of the Clean Fuels Program is the greenhouse gas reductions from switching to lower-carbon fuels. This program complements other transportation-sector strategies such as clean car standards, renewable fuels standards and commitments to reduce the amount that Oregonians drive needed to achieve Oregon’s climate change goals. In addition to direct potential environmental benefits from the Clean Fuels Program, reducing climate change pollution has many co-benefits including:

- **Reductions in social cost of carbon**
  The social cost of carbon is the monetized value of damages avoided when there are reductions in carbon emissions. Clean fuel standards can result in significant economic benefits by reducing the social cost of carbon in categories such as agricultural productivity, human health and flooding.

- **Improvements to public health**
  Using clean fuels decreases greenhouse gas emissions and levels of criteria air pollutants, specifically nitrogen oxides, NOx, and particulate matter, PM. Research links NOx and PM to an array of respiratory and heart problems, especially in sensitive populations such as children and the elderly.

- **Increased energy security**
  Increased use of clean fuels will displace fuels produced from petroleum sources. This can improve energy security by reducing the continued risk associated with crude oil supplied from historically unstable regions.

ICF International’s recent study titled “California’s Low Carbon Fuel Standard: Compliance Outlook & Economic Impacts” monetized the values of the co-benefits described above. Since DEQ did not perform an independent analysis of these impacts, DEQ did not include monetized values in the fiscal and economic impact analysis below.

COST CONTAINMENT DEFERRALS

The proposed phase 2 rules provide cost containment to assure decision makers and the public that Oregon’s Clean Fuels Program is sensitive to the ability for regulated parties to comply with the regulation and the potential impacts the regulation may have on fuel prices.

DEQ developed a suite of mechanisms designed to allow the program to respond and adjust requirements if Oregon experiences fuel shortages or excessive fuel price increases. DEQ proposes three mechanisms to monitor and evaluate the supply of clean fuels and the price of fuels.

1. **Forecasted Deferral Due to Fuel Supply** ensures an adequate supply of clean fuels to comply with the clean fuel standards in the next year. This deferral allows DEQ to act proactively to defer requirements and prevent compliance problems before they occur, if there are fuel supply problems.
2 Emergency Deferral Due to Fuel Supply responds to an unanticipated shortage of lower carbon fuel supplies. This deferral allows DEQ to act rapidly to respond to an emergency related to the production or transportation of clean fuels.

3 Fuel Price Deferral ensures that fuel prices in Oregon remain competitive with neighboring states without a low carbon fuel standard. This deferral requires DEQ to defer, amend or suspend program requirements if the Clean Fuels Program is the underlying cause of any significant fuel price increase.

DEQ anticipates the most likely cause of a price increase caused by the program would be due to competition over a limited supply of clean fuels; therefore, the fuel price deferral in item 3 above would act as a backstop to the fuel supply deferrals in items 1 and 2 above. Though these safeguards will not prevent all future increases in fuel prices, DEQ expects the fuels supply deferrals above would identify and mitigate any potential for significant price increases before DEQ detects any actual effect on prices in Oregon.

Transportation fuel’s retail price has varied dramatically in the past and will continue to vary in the future depending on a wide array of factors such as global oil supply and demand, natural and man-made disasters, geo-political unrest, operational problems at primary oil refineries serving Oregon, and the business strategies of individual petroleum companies. Oregon did not design the Clean Fuels Program to address these risks, but it provides safeguards to help manage the risk of price increases that may occur due to program implementation.

OTHER COST CONTAINMENT APPROACHES

The California Air Resources Board adopted and is implementing standards similar to those EQC is considering in this rulemaking. CARB is considering updates to its regulation to add cost containment measures into its program, but has not yet adopted a specific approach. Discussions about California’s cost containment provisions are available at http://www.arb.ca.gov/fuels/lcfs/lcfs_meetings/030714lcfsconceptpaper.pdf.

DEQ is tracking California’s development of cost containment mechanisms. If CARB develops mechanisms that DEQ believes will be implementable and beneficial to Oregon, the Clean Fuels Program could propose future rules to incorporate similar mechanisms. Any such proposal would require an assessment of EQC’s rulemaking authority and a full public rulemaking process including evaluating the fiscal impacts, public comment and action by EQC.
LEAD DIVISION, SECTION
Environmental Solutions Division
Air Quality Planning Section

PROGRAM OR ACTIVITY
Oregon Clean Fuels Program

CHAPTER 340 ACTION

Adopt
OAR 340-253-2100, OAR 340-253-2200, OAR 340-253-8010,
OAR 340-253-8020, OAR 340-253-8050

Amend
OAR 340-253-0000, OAR 340-253-0040, OAR 340-253-0060,
OAR 340-253-0100, OAR 340-253-0200, OAR 340-253-0250,
OAR 340-253-0310, OAR 340-253-0320, OAR 340-253-0330,
OAR 340-253-0340, OAR 340-253-0400, OAR 340-253-0450,
OAR 340-253-0500, OAR 340-253-0600, OAR 340-253-0630,
OAR 340-253-0650, OAR 340-253-1000, OAR 340-253-1010,
OAR 340-253-1020, OAR 340-253-1030

Amend and Renumber
OAR 340-253-3010 to 340-253-8030, OAR 340-253-3020 to
340-253-8040, OAR 340-253-3030 to 340-253-8060, OAR
340-253-3040 to 340-253-8070, OAR 340-253-3050 to 340-
253-8080

STATUTORY AUTHORITY
ORS 468.020; Sec. 6 of Oregon Laws 2009, chapter 754, also referred to as House Bill 2186 (2009)

STATUTE IMPLEMENTED
Sec. 6 of Oregon Laws 2009, chapter 754, also referred to as House Bill 2186 (2009)

LEGISLATION
House Bill 2186 (2009)
Documents relied on for rulemaking

<table>
<thead>
<tr>
<th>Document title</th>
<th>Document location</th>
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<tbody>
<tr>
<td>Oregon Low Carbon Fuel Standards Advisory Committee</td>
<td><a href="http://www.deq.state.or.us/ag/cleanFuel/ruleprocess.htm">http://www.deq.state.or.us/ag/cleanFuel/ruleprocess.htm</a></td>
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<td>Oregon Clean Fuels Program Phase 1 Rulemaking materials (2012)</td>
<td><a href="http://www.deq.state.or.us/Regulations/2012AdoptedRules.htm">http://www.deq.state.or.us/Regulations/2012AdoptedRules.htm</a></td>
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<td>Oregon Clean Fuels Program Phase 2 Rulemaking Advisory Committee (2014)</td>
<td><a href="http://www.oregon.gov/deq/RulesandRegulations/Pages/Advisory/A2CFPPh2.aspx">http://www.oregon.gov/deq/RulesandRegulations/Pages/Advisory/A2CFPPh2.aspx</a></td>
</tr>
<tr>
<td>ICF contract deliverables (Task 1 memo, Task 2 report, Task 3 report)</td>
<td><a href="http://www.oregon.gov/deq/RulesandRegulations/Pages/Advisory/A2CFPPh2.aspx">http://www.oregon.gov/deq/RulesandRegulations/Pages/Advisory/A2CFPPh2.aspx</a></td>
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<tr>
<td>Applications from registered regulated parties for the Oregon Clean Fuels Program</td>
<td>Program files located at:</td>
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<tr>
<td></td>
<td>DEQ Headquarters</td>
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<tr>
<td></td>
<td>811 SW 6th Avenue</td>
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<tr>
<td></td>
<td>Portland OR 97204</td>
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<tr>
<td>California Low Carbon Fuel Standard regulation and rulemaking documents</td>
<td><a href="http://www.arb.ca.gov/fuels/lcfs/lcfs.htm">http://www.arb.ca.gov/fuels/lcfs/lcfs.htm</a></td>
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<tr>
<td>British Columbia Low Carbon Fuel Requirements regulation</td>
<td><a href="http://www.empr.gov.bc.ca/RET/RLCFRR/Pages/default.aspx">http://www.empr.gov.bc.ca/RET/RLCFRR/Pages/default.aspx</a></td>
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Fee Analysis

This rulemaking does not involve fees.
FISCAL AND ECONOMIC IMPACT

The Oregon Clean Fuels Program is a technology neutral, market-based regulatory approach to reduce carbon pollution from transportation fuels. The program does not mandate the use of any particular type of fuel or technology. Instead, it defines a performance standard to reduce the average carbon intensity of fuels sold by 10 percent over 10 years. The proposed rules offer many strategies for meeting the clean fuel standards by allowing each regulated party the flexibility to use any combination of these strategies to meet its particular circumstance, perspective and business needs. California and British Columbia are implementing similar programs.

The flexibility in this regulatory approach makes it difficult to estimate the fiscal and economic costs to individual regulated parties or fuel consumers. The cost to comply with the standards would depend on each regulated party’s unique compliance strategy and the future availability and cost of clean fuels and clean fuel credits. Future market forces could influence these factors. There are basic program design elements that can minimize and contain costs and help ensure the economic benefits of the program.

Ten-Year Phase-In Period of the Clean Fuels Program
DEQ’s Clean Fuels Program Phase 2 Rules Advisory Committee raised questions about when Oregon must implement the Clean Fuels Program. After consulting with the Oregon Department of Justice, DEQ concluded that EQC has statutory authority to adopt Oregon’s implementation schedule to achieve 10 percent reduction in fuel carbon content by the end of any 10-year period. Therefore, DEQ proposes to implement the clean fuels standards in the 2015 to 2025 timeframe.

Sec. 6 of Oregon Laws 2009, chapter 754 grants EQC this authority and states, EQC “may” adopt various features as part of the program to achieve a 10 percent reduction in fuel carbon content, “including but not limited to...” a 10-year phase-in schedule. While the statute, adopted in 2009, anticipates this 10-year period ending in 2020, the clear intent for the program is to have a 10-year phase-in period. This is also consistent with the phase in schedules of California and British Columbia’s programs. DEQ concludes it is infeasible to require a 10 percent reduction in fuel carbon content in five years, 2015 to 2020. Therefore, DEQ proposes a 10-year phase in period, consistent with statutory authority, of 2015 to 2025.

Potential Impact on Fuel Prices
To estimate the potential fiscal and economic impact of the proposed rule on the price of fuel, DEQ reviewed studies, including the documents in the table below. This table includes a range of potential fuel price impacts that DEQ considered. Details about assumptions used to estimate the fuel price impacts are in each study. The estimated price impacts below reflect potential price increases at the end of the 10-year phase-in period.
DEQ used a fuel price range of $.04 to $0.19 to characterize the potential impact of the program on future fuel prices by the end of the ten-year period after consulting with experts in the fuels market including other agencies and academic institutions. DEQ also considered the Expert Evaluation of the Report “Understanding the Impacts of AB32” from the UC Davis Policy Institute for Energy, Economy and the Environment in 2013. DEQ concluded the assumptions used to develop fuel prices in the ICF International and Leidos studies are more likely to occur for Oregon than the assumptions that the Boston Consulting Group used.

**Potential Impact on Fuel Consumers**

Fuel consumers could experience both positive and negative indirect costs as regulated parties pass their savings and costs to the public through the retail price of fuels. For example, if the price of clean fuels were less than the fuels they replace, then the retail fuel price should decrease. Conversely, if the price of clean fuels were greater than the fuels they replace or if regulated parties had to purchase credits to comply with the standards, the price at the pump could increase. This could cause a ripple effect throughout the general economy as businesses react to changes in fuel costs. Businesses that realize fuel savings through investment in lower cost alternative fuels are likely to grow. Conversely, businesses with higher fuel costs could have increased difficulty managing their profitability.

The proposed fuel price deferral allows DEQ to monitor fuel prices and provide the ability to amend or defer program requirements if Oregon fuel prices cannot compete with nearby states that do not have a clean fuel policy. The trigger for the proposed fuel price deferrals is approximately five percent of the retail price of the fuel; approximately $0.20 for fuel that is $4.00 per gallon.

**Potential Impact to the Oregon Economy**

In 2010, Jack Faucett Associates analyzed the macroeconomic impact of an Oregon low carbon fuel standard (http://www.deq.state.or.us/aq/committees/docs/lcfs/appendixDeconimpact.pdf.) While the 2014 ICF International compliance scenario analysis updated many of the numerical factors from that study, the basic conclusion of the Jack Faucett study remains the same. Jack Faucett Associates concluded that:

- To achieve compliance, significant investment in infrastructure and fuel production capacity results in an influx of economic activity, including growth in employment, income and gross state product.
- Positive economic impacts in Oregon stem from importing less petroleum fuel.
- Many of the lower carbon fuels that replace gasoline and diesel cost less and would result in lower costs at the pump for fuel users.
Regulated Parties

The Clean Fuels Program currently regulates 61 businesses. DEQ estimates the proposed rules could change the number of regulated parties, by removing about 12 existing businesses and adding about 40 new businesses. Regulated parties are:

- **Importers of Transportation Fuels**
  Businesses that import gasoline, ethanol, diesel fuel, biodiesel and biomass-based diesel for use as a transportation fuel in Oregon are the largest group of regulated parties. These businesses must register with DEQ, keep records and submit reports described under Administrative Costs below and meet the annual clean fuel standards. The cost of compliance would vary for each regulated party depending on their compliance strategy described under Costs to Reduce Carbon below.

  Businesses that import fewer than 250,000 gallons per year of transportation fuel must register with DEQ, but do not need to keep records, submit reports or meet the clean fuel standards.

- **Producers of Transportation Fuels**
  Currently, there are no producers of gasoline or diesel fuel located in Oregon. One business produces ethanol and one produces biodiesel. Both would be regulated parties that must register with DEQ, keep records and submit reports described under Administrative Costs below. However, since the biofuels produced already meet the proposed clean fuel standards, there are no additional costs associated with reducing carbon. These businesses could also generate credits and benefit from the sale of those credits.

Providers of Clean Fuels – Credit Generators and Credit Aggregators

Clean fuels include natural gas, biomethane, propane, electricity and hydrogen. The proposed rules do not require providers of clean fuels to participate because they are not regulated parties, but the proposed rules designate the party who is eligible to generate credits if they choose to. Any business that elects to participate in the program must register with DEQ, keep records and submit reports described under Administrative Costs below. There are also costs associated with transacting credits as described below. Revenue from the sale of credits is a benefit to a provider of clean fuel. The price of credits in California ranged from $17 to $70 per metric ton of CO2e since 2012 and is currently around $26 per metric ton of CO2e.

To estimate the number of businesses that could generate credits, DEQ identified the following suppliers of alternative fuels for use in Oregon listed in US Department of Energy’s Alternative Fueling Station Locator as of September 2014:

- Four hundred and thirteen locations containing 988 chargers that supply electricity;
- Fourteen locations that supply compressed natural gas (CNG);
- One location that supplies liquefied natural gas (LNG); and
- Thirty-one locations that supply liquefied petroleum gas (LPG) otherwise known as propane.

A variety of business types could become credit generators including, but not limited to, the following:
- Businesses, local governments, school districts and transit agencies that own alternative fuel fleets and dispensing infrastructure;
- Auto manufacturers that own electric charging stations;
- Businesses that provide chargers for their employees to charge their electric vehicles during work hours; and
- Utilities that help businesses provide fuel and infrastructure.

**General Direct Costs**

- **Costs to Reduce Carbon**

  To achieve the clean fuel standards, each regulated party could provide greater volumes of clean fuels, blend different types of clean fuels or purchase credits from providers of clean fuels. These options would have varying costs, some could increase and others could decrease. Many lower carbon fuels are cheaper than the gasoline and diesel fuel they replace while others are more expensive. Many alternative fuels also require investment in dispensing infrastructure or vehicles.

  While forecasting the price and carbon intensity values of fuels in 2025 is not possible, DEQ made the following assumptions about how one could quantify the potential cost to reduce carbon. In order to estimate the cost of purchasing clean fuel credits to comply, DEQ used the following information:

  1. The proposed clean fuel standards between 2015 and 2025;
  2. The energy density of gasoline and diesel; and
  3. A reasonable range of clean fuel credit prices.

  The equation is:

  $\frac{(Standard_{Year \times+1} - Standard_{Year \times}) \times gCO2e}{MJ} \times Energy Density_{gal} \times \frac{MJ}{1,000,000 \ g} \times \frac{MT}{Credit} \times \frac{Credit \ price}{MT}$

  The following table is the result using the method above to calculate the for three credit prices:

<table>
<thead>
<tr>
<th>Potential Cost to Reduce Carbon (in dollars/gallon)</th>
<th>Credit Price ($ per metric ton of CO2e)</th>
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<tbody>
<tr>
<td></td>
<td>@ $35/MT</td>
</tr>
<tr>
<td>2025</td>
<td>.04</td>
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<tr>
<td>Average over 2015 - 2025</td>
<td>.01</td>
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</table>

  For example, the table above illustrates that with a credit price of $100 per ton, the incremental increased cost to a gallon of fuel in the year 2025 would be about 11 cents. Over the full ten-year program period of 2015 to 2025, the average incremental cost increase, at $100/ton credit price, is about four cent per gallon.

  DEQ considers purchasing credits on the open market would be the highest-cost strategy for
meeting compliance since it is typically more volatile than long-term contracts with fuel suppliers. DEQ anticipates that most compliance strategies would involve purchasing and blending lower or competitively priced clean fuels combined with the purchase of some credits. The regulated party would incur the costs of purchasing credits to comply and providers of clean fuel would benefit from the sale of credits illustrated in the table above. DEQ is unable to estimate how these parties would pass any costs or benefits to fuel consumers.

- **Administrative Costs**

DEQ developed an estimate of the initial administrative costs to comply with the Clean Fuels Program during the phase 1 rulemaking in 2012. The fiscal and economic impact from that rulemaking estimated one-time costs to register, keep records and submit reports based on:

- Twenty business days, 160 hours, of labor;
- Hourly wage of $65 per hour;
- One-time labor cost of $10,400 per business; and
- $20,000 in one-time IT costs.

Businesses currently registered with DEQ already incurred the initial administrative costs. However, since the proposed rule would change the definition of businesses that the program regulates, some newly regulated businesses would incur the initial administrative costs. In addition, some businesses currently registered and reporting to DEQ would no longer be subject to the program, eliminating any costs of compliance for those businesses.

In addition to the initial costs, there are ongoing costs to keep records and submit reports that all businesses participating in the program would incur:

- **Registration**

Regulated parties and providers of clean fuels that voluntarily participate in the program to generate credits must register with DEQ. This is a one-time requirement, unless changes to the registration information trigger a modification.

- **Recordkeeping**

A regulated party must maintain records for each individual fuel transaction. Most businesses already keep records such as invoices and bills of lading that are equivalent to the recordkeeping requirements of this program, but there would be an increase in work to comply with this requirement.

- **Reporting**

Regulated parties must submit quarterly and annual reports using the DEQ online reporting tool. Most businesses have staff assigned to do similar tasks such as other regulatory reporting requirements and filing taxes that are equivalent to the reporting requirements of this program, but there would be an increase in work to comply with this requirement.

DEQ developed an estimate of the ongoing costs to comply with the Clean Fuels Program during phase 1 rulemaking in 2012. The fiscal and economic impact from that rulemaking estimated ongoing costs to comply with registration, recordkeeping and reporting based on:
• Thirteen business days, 104 hours, of labor;
• Hourly wage of $65 per hour; and
• On-going annual labor cost of $6,760 per business.

Members of the phase 2 Clean Fuels Program Advisory Committee commented that these estimates for administrative costs are too low and should be adjusted to reflect the work of 0.5 full time equivalent employee or approximately $30,000 based on phase 1 implementation. The committee’s comments are derived primarily from importers that supply not only gasoline and diesel, but also ethanol and biodiesel. It is the detailed information needed to document the carbon intensity values of ethanol and biodiesel that need to be traced back to their producers via invoices or bills of lading of each fuel for every transaction that make it time consuming. This is different from the workload for importers of fuels that have statewide carbon intensity values listed in lookup tables.

There are additional variables that could affect the administrative costs for an individual business including, but not limited to, businesses that:

• Participate in California’s low carbon fuel standards program. These businesses would incur lower costs to comply with the Oregon clean fuels program than businesses that do not. For example, SeQuential Biodiesel estimates that they spend approximately five to 10 hours per month to comply with California requirements and about the same to comply with Oregon requirements. This is far below the estimates that were made by the fuel distributors in the advisory committee.

• Have suppliers and customers that participate in the California program. These businesses are already familiar with the required recordkeeping and would be more prepared to support their business partners in the Oregon program.

• Participate in EPA’s Renewable Fuel Standards program. These businesses would encounter minimal additional costs to comply with the Oregon program because much of the information is identical.

• Currently report fuel information to DEQ or another agency. These businesses already have staff familiar with reporting and would likely not need additional labor to comply with the Oregon program.

All participants in the program would incur the following administrative costs.

• **Credit Generation**
  Regulated parties and providers of clean fuels would incur costs to ensure that the generation of credits is legitimate and accurate. These costs would be similar to the recordkeeping and reporting costs described above.

• **Credit Transaction**
  Regulated parties and providers of clean fuels would incur costs to document any transfer of generated credits to another party. There is no transaction fee, but there are documentation requirements to ensure that the transaction is legitimate and accurate. These costs would be similar to the recordkeeping and reporting costs described above.
Impacts to Various Parties

OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY

**Direct Impacts:** As part of its 2015-2017 Agency Request Budget, DEQ requested new resources to implement the Clean Fuels Program. DEQ requested three new positions, approximately 2.19 Full-Time Equivalent positions phased-in plus funding for professional services contracts. DEQ requested General Fund dollars to support the work. There is no known fee or federal funding to implement the Clean Fuels Program. Since submitting the Agency Request Budget, DEQ has reevaluated its approach on how to best fund the Clean Fuels Program efforts. The work will now be accomplished using existing staff resources, and not through any new positions as originally considered. This change in approach is reflected in the agency’s 2015-17 Governor’s Balanced Budget request.

Since 2009 when the Oregon Legislature passed HB 2186, DEQ used existing staff to develop the Clean Fuels Program. In 2013, DEQ began implementation of phase 1 of the program, using the same existing staff. To successfully implement phase 2, DEQ will need additional resources assigned to the Clean Fuels Program. The current program staff will continue to be dedicated to the Clean Fuels Program. In addition, streamlining and reassignment of work within the program will allow DEQ to use existing Air Quality positions to support the Clean Fuels Program moving forward.

California provided its reporting system to DEQ in phase 1 and, if approved, DEQ will continue to use it in phase 2.

**OTHER STATE AND FEDERAL AGENCIES**

**Direct Impacts:** The Clean Fuels Program does not impose direct fiscal or economic effects on state or federal agencies, unless the agency imports transportation fuel or provides clean fuels. If so, see the discussions about Providers of Clean Fuels above and General Direct Costs above.

**Indirect Impacts:** State and federal agencies are fuel consumers. See the discussions about Potential Impact on Fuel Prices above and Potential Impact on Fuel Consumers above.

**LOCAL GOVERNMENTS**

**Direct Impacts:** The Clean Fuel Program does not impose direct fiscal or economic effects on local governments, unless the local government imports transportation fuel or provides clean fuels. If so, see the discussions about Providers of Clean Fuels above and General Direct Costs above.

**Indirect Impacts:** Local governments are fuel consumers. See the discussions about Potential Impact on Fuel Prices above and Potential Impact on Fuel Consumers above.
PUBLIC

Direct Impacts: There are no direct fiscal or economic effects imposed by the Clean Fuels Program on the public.

Indirect Impacts: Members of the public purchase fuel for their personal vehicles and off-road equipment like recreational watercraft and generators. See the discussions about Potential Impact on Fuel Prices above and Potential Impact on Fuel Consumers above.

LARGE BUSINESSES – BUSINESSES WITH MORE THAN 50 EMPLOYEES

There are currently 25 large businesses registered with the program, primarily fuel terminal operators and fuel marketers. Using currently available information, DEQ estimates the proposed rules would not regulate additional large businesses or remove any from the regulated parties list.

Direct Impacts: See the discussions about General Direct Costs above.

Large businesses also provide clean fuels and may either be regulated parties or voluntarily participate in the program to generate credits. Examples include fuel terminals that import lower carbon ethanol or biodiesel; auto manufacturers that help businesses purchase electric vehicles and chargers; or utilities that provide fossil or bio-based liquefied or compressed natural gas for use as a transportation fuel.

Direct Impacts: See the discussion about Providers of Clean Fuels above.

Indirect Impacts: Large businesses are fuel consumers. See the discussions about Potential Impact on Fuel Prices above and Potential Impact on Fuel Consumers above.

SMALL BUSINESSES – BUSINESSES WITH 50 OR FEWER EMPLOYEES ORS 183.336

There are currently 36 small businesses registered with the program, primarily fuel distributors and biofuel producers.

Direct Impacts on providers of conventional petroleum fuels: See the discussions about General Direct Costs above. Fuel distributors located on borders with states that do not have a similar requirement could be at a competitive disadvantage due to additional regulatory costs.

Direct Impacts on providers of clean fuels: See the discussions about Providers of Clean Fuels above. Small businesses provide clean fuels and may either be regulated parties or voluntarily participate in the program to generate credits. These small businesses could experience an economic benefit from selling credits.

Indirect Impacts: Small businesses are fuel consumers. See the discussions about Potential Impact on Fuel Prices above and Potential Impact on Fuel Consumers above.
a. Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.

Using currently available information, the proposed rules could regulate an additional 40 small businesses, but also remove 12 small businesses from the regulation.

Small businesses may provide clean fuels and voluntarily participate in the program. Examples include businesses that own equipment to dispense natural gas or propane to fleets like garbage trucks, school buses and delivery trucks.

b. Projected reporting, recordkeeping and other administrative activities, including costs of professional services, required for small businesses to comply with the proposed rule.

Small businesses would incur administrative costs as described in the discussions about General Direct Costs above.

c. Projected equipment, supplies, labor and increased administration required for small businesses to comply with the proposed rule.

Small businesses would incur administrative costs as described in the discussions about General Direct Costs above.

d. Describe how DEQ involved small businesses in developing this proposed rule.

DEQ convened a 21-member advisory committee that included small businesses to discuss the design of the Oregon Clean Fuels Program. See Advisory Committee discussion below.

### DOCUMENTS RELIED ON FOR FISCAL AND ECONOMIC IMPACT

<table>
<thead>
<tr>
<th>Document title</th>
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<tr>
<td>Registration and reporting information from the registered regulated parties</td>
<td>Program files located at: DEQ headquarters 811 SW 6th Avenue Portland OR 97204</td>
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<tr>
<td>Clean Fuels Program Phase 1 Rulemaking – Statement of Need and Fiscal Impact (page 124), Dec. 2012</td>
<td><a href="http://www.deq.state.or.us/about/eqc/agendas/attachments/2012dec/ItemN_Attachments.pdf">http://www.deq.state.or.us/about/eqc/agendas/attachments/2012dec/ItemN_Attachments.pdf</a></td>
</tr>
<tr>
<td>California’s Low Carbon Fuel Standard: Compliance Outlook &amp; Economic Impacts (ICF International, 2014)</td>
<td>DEQ headquarters</td>
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<tr>
<td>Advisory committee meeting summary</td>
<td><a href="http://www.oregon.gov/deq/RulesandRegulations/Pages/Advisory/A2CFPPh2.aspx">http://www.oregon.gov/deq/RulesandRegulations/Pages/Advisory/A2CFPPh2.aspx</a></td>
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<tr>
<td>Understanding the impact of AB 32 (Boston Consulting Group, 2012)</td>
<td><a href="http://www.deq.state.or.us/aq/cleanFuel/docs/IndividualCommenters7.pdf">http://www.deq.state.or.us/aq/cleanFuel/docs/IndividualCommenters7.pdf</a></td>
</tr>
<tr>
<td>Low Carbon Fuel Standard feasibility</td>
<td>DEQ headquarters</td>
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</table>
DEQ appointed an advisory committee to provide input on the proposed rules and make recommendations on this fiscal and economic impact statement.

To comply with [ORS 183.333](http://www.oregon.gov/deq/RulesandRegulations/Documents/m3summary.pdf), DEQ asked for the committee’s recommendations on:

- Whether the proposed rules would have a fiscal impact,
- The extent of the impact, and
- Whether the proposed rules would have a significant impact on small businesses and complies with [ORS 183.540](http://www.oregon.gov/deq/RulesandRegulations/Documents/m3summary.pdf).

The committee reviewed the draft fiscal and economic impact statement and its recommendations. The committee-meeting summary dated Aug. 28, 2014, documents the recommendation at [http://www.oregon.gov/deq/RulesandRegulations/Documents/m3summary.pdf](http://www.oregon.gov/deq/RulesandRegulations/Documents/m3summary.pdf). The committee determined the proposed rules would have an impact on small businesses in Oregon; however, some impacts may be beneficial while others might be negative. The committee offered the following suggestions to reduce the negative economic impact on small business:

- Create default carbon intensity values in lieu of individual ones. This would significantly reduce the burden of keeping transaction-specific records.

  *DEQ is including this recommendation in the proposed rules.*

- Create a two-tiered reporting option for importers of finished fuels. There would be a simpler option to report fuels in aggregate using the default carbon intensity values and the more complex option for individual transactions and individual carbon intensity values. The tradeoff would be that under the simpler option, businesses would not be able to generate credits because they would not have sufficient documentation. They might have to buy credits to comply, but that might cost less than hiring a new person to keep track of the individual transactions.

  *DEQ is not including this recommendation in the proposed rules at this time in order to implement the new proposed definition of importer. DEQ will reassess the potential impact of the recommendation and continue to work with stakeholders on possible solutions to this issue.*

- Exempt importers of finished fuels. This category of fuel importer could experience potential compliance challenges because they might lack the influence to reduce the carbon intensity value
of ethanol or biodiesel already blended into the finished fuels they provide. Many of these businesses are small businesses.

*DEQ is not including this recommendation in the proposed rules at this time in order to implement the new proposed definition of importer. DEQ will reassess the potential impact of the recommendation and continue to work with stakeholders on possible solutions to this issue.*

The following advisory committee work was instrumental to the design of the Oregon Clean Fuels Program.

**2014**
From June through August 2014, DEQ worked with a 21-member advisory committee that included small businesses. The committee discussed phase 2 design of the Clean Fuels Program. Membership and meeting summaries are at [http://www.oregon.gov/deq/RulesandRegulations/Pages/Advisory/A2CFPPh2.aspx](http://www.oregon.gov/deq/RulesandRegulations/Pages/Advisory/A2CFPPh2.aspx).

**2013**
During the first half of 2013, DEQ conducted extensive outreach to fuel importers and producers across the state to determine who was regulated and non-regulated. This included small businesses. Outreach included a web-based survey, individual phone conversations and in-person meetings in Portland, Eugene, Salem, Medford, Bend and Pendleton.

**2012**
In May 2012, DEQ convened an advisory committee to focus on the fiscal and economic impact of implementing phase 1. Membership and the meeting summary are at [http://www.deq.state.or.us/aq/cleanFuel/meetings.htm](http://www.deq.state.or.us/aq/cleanFuel/meetings.htm).

**2009-2010**
From November 2009 through November 2010, DEQ worked with a 29-member advisory committee that included small businesses. The committee discussed the design of the Oregon Clean Fuels Program. Membership and meeting summaries are at [http://www.deq.state.or.us/aq/committees/advcomLowCarbonFuel.htm](http://www.deq.state.or.us/aq/committees/advcomLowCarbonFuel.htm).
Housing cost

To comply with ORS 183.534, DEQ determined the proposed rules would have no effect on the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel. The proposed rules only affect transportation fuels used in Oregon.
"It is the policy of this state that agencies shall seek to retain and promote the unique identity of Oregon by considering local conditions when an agency adopts policies and rules. However, since there are many federal laws and regulations that apply to activities that are also regulated by the state, it is also the policy of this state that agencies attempt to adopt rules that correspond with equivalent federal laws and rules." ORS 183.332

RELATIONSHIP TO FEDERAL REQUIREMENTS

This section satisfies the requirements of OAR 340-011-0029 and ORS 468A.327 to clearly identify the relationship between the proposed rules and applicable federal requirements.

The proposed rules are “in addition to federal requirements” since there are no federal regulations regarding the content of greenhouse gases in transportation fuels. The proposed rules protect the environment and residents of Oregon by reducing greenhouse gases.

WHAT ALTERNATIVES DID DEQ CONSIDER IF ANY?

In designing the Clean Fuels Program, DEQ considered many alternatives contained in the proposed rule. Input from advisory committees in 2010, 2012 and 2014 and extensive outreach with affected stakeholders throughout the process informed the design of the Oregon Clean Fuels Program. Documentation is in the rulemaking record.
“It is the Commission’s policy to coordinate the Department’s programs, rules and actions that affect land use with local acknowledged plans to the fullest degree possible.”  

OAR 340-018-0010

LAND-USE CONSIDERATIONS

To determine whether the proposed rules involve programs or actions considered that are a land-use action, DEQ reviewed:

- Statewide planning goals for specific references. Section III, subsection 2 of the DEQ State Agency Coordination Program document identifies the following statewide goals relating to DEQ’s authority:

<table>
<thead>
<tr>
<th>Goal</th>
<th>Title</th>
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<tbody>
<tr>
<td>5</td>
<td>Open Spaces, Scenic and Historic Areas, and Natural Resources</td>
</tr>
<tr>
<td>6</td>
<td>Air, Water and Land Resources Quality</td>
</tr>
<tr>
<td>11</td>
<td>Public Facilities and Services</td>
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<tr>
<td>16</td>
<td>Estuarial resources</td>
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<tr>
<td>9</td>
<td>Ocean Resources</td>
</tr>
</tbody>
</table>

- OAR 340-018-0030 for EQC rules on land-use coordination. Division 18 requires DEQ to:

  - Determine whether proposed rules will significantly affect land use. If yes, how will DEQ:
    - Comply with statewide land-use goals, and
    - Ensure compatibility with acknowledged comprehensive plans, which DEQ most commonly achieves by requiring a Land Use Compatibility Statement.
  - Consider DEQ’s mandate to protect public health and safety and the environment
  - Determine whether DEQ is the primary authority responsible for land-use programs or actions in the proposed rules
  - Consider present or future land uses identified in acknowledged comprehensive plans

DETERMINATION

DEQ determined that the proposed rules listed under the Chapter 340 Action section above do not affect existing rules, programs or activities that are land-use programs and actions in OAR 340-018-0030 or in the DEQ State Agency Coordination Program.
ADVISORY COMMITTEE

DEQ convened a Clean Fuels Program Phase 2 Rulemaking Advisory Committee, which met between June and August 2014. The 21-member committee included representatives from large and small fuel distributors, Oregon producers of biofuels, providers of lower carbon fuel such as electricity, propane, natural gas and biogas, local governments, and business and environmental interests. The committee’s purpose was to gather expert input on policy and technical issues related to several program design options and the fiscal and economic impact of the proposed rules. Since the advisory committee for the phase 1 rules discussed many of the basic design issues, the advisory committee for the phase 2 rulemaking focused on how new information could affect the original program design choices.

The committee web page is at http://www.oregon.gov/deq/RulesandRegulations/Pages/Advisory/A2CFPPh2.aspx.

ROSTER

<table>
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<tr>
<th>Primary Member</th>
<th>Affiliation</th>
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<tr>
<td>Mark Reeve</td>
<td>Chair</td>
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<tr>
<td>Darren Engle</td>
<td>Blue Star Gas</td>
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<tr>
<td>Ralph Poole</td>
<td>Campo &amp; Poole</td>
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<tr>
<td>Jeff Rouse</td>
<td>Carson Oil Co., Inc.</td>
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<tr>
<td>Todd Campbell</td>
<td>Clean Energy Fuels</td>
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<tr>
<td>Josh Proudfoot</td>
<td>Good Company</td>
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<tr>
<td>James Mast</td>
<td>Mast Collaborative</td>
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<tr>
<td>Shanna Brownstein</td>
<td>Northwest Natural Gas</td>
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<tr>
<td>Joel Fisher</td>
<td>Oregon Business Association</td>
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<tr>
<td>Jana Gastellum</td>
<td>Oregon Environmental Council</td>
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<tr>
<td>Bob Russell</td>
<td>Oregon Trucking Association</td>
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<td>Tom Koehler</td>
<td>Pacific Ethanol</td>
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<td>Dan Sinks</td>
<td>Phillips 66</td>
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<td>Gary Neal</td>
<td>Port of Morrow</td>
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<td>David Breen</td>
<td>Port of Portland</td>
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<tr>
<td>Brendan McCarthy</td>
<td>Portland General Electric</td>
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<td>Gavin Carpenter</td>
<td>SeQuential Biodiesel</td>
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<td>Terese Tyler</td>
<td>Space Age Fuel</td>
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<td>Miles Heller</td>
<td>Tesoro</td>
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<td>Peter Weisberg</td>
<td>The Climate Trust</td>
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<tr>
<td>Chuck White</td>
<td>Waste Management</td>
</tr>
<tr>
<td>Frank Holmes</td>
<td>Western States Petroleum Association</td>
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MEETING NOTIFICATIONS
To notify people about advisory committee’s activities, DEQ sent GovDelivery bulletins, a free e-mail subscription service, to the following lists.

- DEQ sent a one-time notice to Oregon Clean Fuels subscribers to describe how to sign up for advisory committee meeting notices. ORS 192.640.
- People who signed up for the Phase 2 Rulemaking Advisory Committee list.

DEQ also added advisory committee announcements to DEQ’s calendar of public meetings at http://www.deq.state.or.us/news/events.asp.

Committee input is in the advisory committee meeting summaries. The committee reviewed the fiscal impact statement, specifically the impact on small businesses.

EQC PRIOR INVOLVEMENT
DEQ shares general rulemaking information with EQC through the monthly Director’s Report. DEQ shared information about this rulemaking:

- On March 20, 2014, in the Director’s Report at the meeting in Portland
- On June 19, 2014, in the Director's Report at the meeting in The Dalles
- On Aug. 27, 2014, in the Director’s Report at the meeting in Medford
- On Nov. 6, 2014, in a facilitated hearing at the meeting in Portland
- On Nov. 20, 2014, in a facilitated hearing at a special meeting in Portland

PUBLIC NOTICE
DEQ provided notice of the Notice of Proposed Rulemaking with Hearing for this rulemaking. DEQ submitted notice to:

- Secretary of State for publication in the October 2014 Oregon Bulletin
- Approximately 6,182 interested parties on the Agency Rulemaking List through GovDelivery
- Approximately 2,141 stakeholders on the Oregon Clean Fuels List through GovDelivery
- Approximately 519 stakeholders on the Clean Fuels Program Phase 2 Rulemaking Advisory Committee List through GovDelivery
- The following key legislators required under ORS 183.335:
  - Michael Dembrow, Chair, Senate Environment and Natural Resources Committee
  - Paul Holvey, Chair, House Energy and Environment Committee
DEQ provided legal notice in the following newspapers:

The Oregonian – published on October 1, 2014
East Oregon (Pendleton) - published on October 1, 2014

PUBLIC HEARINGS

DEQ held two public hearings. Oral comments received at the hearings are summarized in the Presiding Officers’ reports.

HEARING 1

DEQ held a public hearing hosted by the Environmental Quality Commission on Thursday, Nov. 6, 2014, at 1:30 p.m.

Presiding Officer: Chair Jane O’Keeffe

The presiding officer convened the hearing at 1:20 p.m. Larry Knudsen, Department of Justice, summarized procedures for the hearing including notification that DEQ was recording the hearing. The presiding officer asked people who wanted to present verbal comments to complete, sign and submit a registration form. According to Oregon Administrative Rule 137-001-0030, the presiding officer summarized the content of the notice given under Oregon Revised Statute 183.335.

Due to the large volume of comments, they are not individually summarized below. A full audio recording and a text transcript of the hearing are available through the EQC webpage.

Thirty-three people signed up to present comment, and several provided written testimony in addition to their comments. People presented comment both in opposition and support of the proposed Phase 2 rules and the Clean Fuels program in general. Commissioners asked clarifying and informational questions about specific comments as they were presented.

At the commission’s request, several commenters provided additional clarifying comments regarding the commissioners’ concerns about feasibility and discrepancies between economic analyses. Director Pedersen noted that DEQ staff can provide informational briefings to the commissioners, individually or in a group at a special meeting, between this meeting and the proposed January 2015 action.

Chair O’Keeffe closed the hearing at 4:45 p.m.

HEARING 2

DEQ held a public hearing hosted by the Environmental Quality Commission on Thursday, Nov. 20, 2014, as part of a special commission meeting.

Presiding Officer: Chair Jane O’Keeffe
The presiding officer convened the hearing at 3:40 p.m. Paul Garrahan, Department of Justice, summarized procedures for the hearing including notification that DEQ was recording the hearing. The presiding officer asked people who wanted to present verbal comments to complete, sign and submit a registration form. According to Oregon Administrative Rule 137-001-0030, the presiding officer summarized the content of the notice given under Oregon Revised Statute 183.335.

Thirteen people submitted speakers’ registration forms to present comment at the meeting. The notes below indicate the order in which comments were presented.

1. Shanna Brownstein, NW Natural, discussed the availability of alternative fuels.
2. Ross Macfarlane, Climate Solutions, noted support for the Oregon Clean Fuels Program and specified that the aviation sector strongly supports the standards with an opt-in provision for aviation fuels.
3. Todd Ellis, Imperium Renewables, provided an overview of the biofuels industry and expressed support for Oregon’s Clean Fuels Program and standards.
4. Ian Thomson, Western Canada Biodiesl Association, discussed British Columbia’s experience with a low carbon fuel standard.
5. Lisa Adatto, volunteer with the Oregon Environmental Council, discussed electric vehicles and noted support for Oregon’s Clean Fuels Program.
6. Micah Berry, Chevron, noted the company’s work to invest in alternative fuels and noted that the required new technology to support the low carbon fuel standard and Clean Fuels Program does not exist and is not likely to be successful.
7. Lauren Patton, Oregon Chapter of the American Planning Association, noted the organizations’ support for the Oregon Clean Fuels Program.
8. Minhaj Ali Khan asked the commission to evaluate the issues more globally as it considers the Oregon Clean Fuels Program and low carbon fuel standards.
10. Gavin Carpenter, SeQuential Biofuels, presented comments regarding used coconut oil biodiesel availability and in support of the Oregon Clean Fuels Program and low carbon fuel standards.
11. Caroline Silveira, DuPont, presented comments regarding DuPont’s biofuels investments and development and expressed the company’s support of Oregon’s Clean Fuels Program.
12. Dale Feik, citizen, presented comments regarding overall carbon pollution concerns and asked the commission to support Governor Kitzhaber’s energy and carbon goals for Oregon to reduce greenhouse gases.
13. Mary Solecki, Environmental Entrepreneurs, noted that a previous question about economic analysis has been studied and is expected to create new jobs and avoid damage from climate change from greenhouse gases.
14. Michael Vevera, Whole Energy Fuels, presented comments about project development and job creation. He noted California’s success in spurring investment through its low carbon fuel standard and stated support for Oregon’s Clean Fuels Program.

Chair O’Keeffe closed the hearing at 4:25 p.m.

Summary of comments
Attachment B is a summary of the comments DEQ received during the public comment period, including information about the source of the comment, commenter identification number, categories of comments and responses. Original comments are on file with DEQ.

UPDATED CLOSE OF PUBLIC COMMENT PERIOD

DEQ extended the public comment period for this rulemaking from Friday, Nov. 7, 2014, until Tuesday, Nov. 25, 2014, at 5 p.m. to provide additional time for comment.
The proposed rules would become effective Feb. 1, 2015.

NOTIFICATION

- DEQ will notify affected parties via email using the Clean Fuels Program GovDelivery list.
- DEQ will update its webpage to reflect the current information.
- DEQ will publish the adopted rules in the Oregon Bulletin.

OUTREACH

- DEQ will conduct additional outreach to new potential regulated parties based on information the Oregon Department of Transportation Motor Vehicle Fuels Tax Group gives to DEQ.
- DEQ will provide technical assistance about program requirements to regulated parties, credit generators and brokers.
- DEQ will provide general education to decision makers, interested stakeholders and the general public about changes to the program.

REPORTING SYSTEMS

- DEQ will modify the CFP Online System to incorporate these rule changes.
Oregon’s Administrative Procedures Act, ORS 183.405, requires DEQ to review new rules within five years after EQC adopts them. The law also exempts some rules from review. DEQ reviewed the rules this report describes and determined whether they are subject to the five-year review. DEQ based its analysis on the law in effect when EQC adopted these rules.

EXEMPTION FROM FIVE-YEAR RULE REVIEW

The Administrative Procedures Act, ORS 183.405(4), exempts the following rules from the five-year review because the proposed rules would amend or repeal an existing rule:


FIVE-YEAR RULE REVIEW REQUIRED

No later than Jan. 7, 2020, DEQ will review the newly adopted rules, as ORS 183.405(1) requires, determining whether:

- The rule has had the intended effect
- The anticipated fiscal impact of the rule was underestimated or overestimated
- Subsequent changes in the law require that the rule be repealed or amended
- There is continued need for the rule.

The review will apply to the following proposed rules:


DEQ will use “available information” to comply with the review requirement allowed under ORS 183.405 (2).

DEQ will provide the five-year rule review report to the advisory committee to comply with ORS 183.405 (3).