

# Greenhouse Gas Reporting Advisory Committee



State of Oregon  
Department of  
Environmental  
Quality

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*DEQ is a leader in  
restoring, maintaining and  
enhancing the quality of  
Oregon's air, land and  
water.*

## Charter

The members of the greenhouse gas reporting advisory committee agree to operate under this Charter.

### I. Purpose

Greenhouse gas reporting is key for Oregon to track and evaluate its greenhouse gas emissions. The greenhouse gas reporting advisory committee was established in 2007 to help the Oregon Department of Environmental Quality develop the initial set of greenhouse gas reporting rules adopted by the Environmental Quality Commission in 2008. DEQ is now working on a proposal that would revise the rules to implement recent legislation and update the program. The objectives of DEQ's proposal are to collect more comprehensive emissions data, fund the program and align Oregon's reporting requirements with the federal reporting rules and Western Climate Initiative. DEQ has reconvened the greenhouse gas reporting advisory committee to provide input to DEQ on the proposal. DEQ added additional members to increase stakeholder representation. The purpose of the committee is to discuss and make recommendations about DEQ's rules.

### II. Background

Global warming poses a serious threat to Oregon's economy, environment and public health. Several events in 2007 laid the groundwork for greenhouse gas reporting in Oregon. The Oregon Legislature adopted House Bill 3543 (2007) to create a global warming commission, a climate change research institute and establish state greenhouse gas reduction goals. Also in 2007, Oregon joined the Western Climate Initiative, which is a partnership of seven western states and four Canadian provinces and commits partners to participate in a multi-state reporting and verification system (The Climate Registry). In addition, Governor Kulongoski asked the commission to consider adopting greenhouse gas reporting rules. Greenhouse gas reporting will help us to understand Oregon's overall emissions, which will better equip us to evaluate progress toward state greenhouse gas reduction goals, pursue local policies and actions to reduce emissions, and inform and shape national policies in ways that benefit Oregon residents and businesses.

The greenhouse gas reporting advisory committee helped develop the recommendation for the initial set of reporting rules, which require certain industrial sources, in-state power generators, landfills and wastewater treatment plants to annually report greenhouse gas emissions to DEQ. Due to potential gaps in legal authority at the time of rule adoption in 2008, the commission could not create reporting requirements for power importers or fuel distributors. In addition, the Environmental Protection Agency had not yet released federal reporting rules, and WCI had not yet released its model rule to assure consistency in reporting among WCI partners.

DEQ is now working on a proposal to update Oregon's greenhouse gas reporting program based on several events in 2009, as follows:

1. The 2009 Oregon Legislature passed Senate Bill 38, authorizing the commission to create reporting requirements for power importers and fuel distributors. These new reporting requirements will provide DEQ with more comprehensive data about Oregon's overall greenhouse gas emissions. These categories account for about two thirds of total emissions for the state.

Charter finalized  
10-19-09. Meeting  
schedule and committee  
membership updated  
02-26-10  
By: Andrea Curtis  
DEQ 03-

2. The 2009 Legislature also passed Senate Bill 103 and DEQ's budget, authorizing the commission to create fees to fund the program. DEQ needs fees to fund the program and fill two legislatively approved staff positions: one position became effective for the entire biennium, while the second position would be phased-in during year two of the biennium. Staff would conduct rulemaking, establish reporting protocols, provide technical assistance to reporters, audit reports to ensure compliance and exchange greenhouse gas information with EPA.

While the commission is authorized to create fees for sources subject to the reporting rules established in 2008, it currently lacks authority to charge fees to power importers and fuel distributors. Senate Bill 38 asked DEQ to evaluate and report back to the legislature on the funding mechanism for developing and implementing the greenhouse gas reporting program, including whether to establish fees for the two emission categories added by the bill. After evaluating options for program funding, DEQ may introduce legislation requesting authority on behalf of the commission to create fees for the emission categories added by Senate Bill 38.

3. In September 2009, EPA released federal reporting rules. DEQ needs to streamline its rules with the federal rules to avoid redundant requirements for reporters.
4. In July 2009, WCI released a model rule containing essential elements for WCI partners to incorporate into state reporting requirements. DEQ had planned to propose rule revisions that would incorporate WCI's essential elements to assure consistency in reporting among WCI partners wherever possible. Now that federal reporting rules have been adopted, Oregon will need to evaluate the relevance of WCI's model rule.

DEQ did not have time to perform a regular rulemaking after the legislative session ended in July 2009 before DEQ needs to collect revenue to staff the program. Because of this timing issue, DEQ intends to propose a temporary rulemaking followed by a regular rulemaking. DEQ will develop the rulemakings taking into account the input of the advisory committee and public comment. At the December 2009 commission meeting, DEQ plans to propose temporary rule amendments for the first year of fees. DEQ then plans to perform a follow-up, regular rulemaking in 2010. During this regular rulemaking, fees for future years will be proposed along with a recommendation for implementing Senate Bill 38, and aligning Oregon's rule with the federal reporting rules and possibly WCI.

### **III. Charge of the Greenhouse Gas Reporting Advisory Committee**

1. DEQ and the committee will use the following objectives to evaluate issues and guide draft language for the rules:
  - a. Reporting should address the emission categories defined by Senate Bill 38 in a manner that meets Oregon's data needs while being cost effective and efficient for reporting entities and DEQ.
  - b. Reporting methods should be consistent with federal requirements and other regional and state methods, especially WCI partners.
  - c. The rules should ensure good quality emissions accounting and quantification suitable for future market-based or compliance-based programs.
  - d. The fees should cover the costs of efficiently operating the greenhouse gas reporting program.
  - e. The rules should be aligned with federal reporting requirements in a manner that meets Oregon's data needs while being appropriate for reporting entities.
  - f. The rules should be aligned with WCI essential elements in a similar manner, but with consideration of the adoption of federal rules.



2. The committee will identify, discuss and make recommendations on program requirements and appropriate issues before rulemaking begins, within the timeframe provided. The recommendations should address:
  - a. Criteria for reporting of greenhouse gases from power importers and fuel distributors to the state of Oregon. The scope includes who should be subject to reporting, and what, how and when they would report emissions. The reporting criteria would establish data collection and calculation methodologies, include a process for verifying emissions data, and determine level of confidentiality of certain data elements where appropriate.
  - b. How to streamline reporting for these new categories consistent with the provisions in Senate Bill 38.
  - c. Fees that would be paid by reporting facilities. This includes year one fees for sources subject to the existing rules; and future years' fees for sources subject to the revised rules, including whether to create fees for power importers and fuel distributors and criteria for the draft legislation that would authorize the commission to create fees for these emission categories.
  - d. How to best incorporate the federal reporting rules into Oregon's rules.
  - e. How to best incorporate WCI essential elements into Oregon's rules.
3. Other recommendations from the advisory committee pursuant to ORS 183.333 include:
  - a. Whether the rules will have a fiscal impact, and if yes, what the extent of that impact will be, and
  - b. Whether the rules will have a significant adverse impact on small businesses, and if so, recommendations on compliance with ORS 183.540.
4. The product of this advisory committee will be a report to the DEQ Director that summarizes the committee's recommendations and key discussions. DEQ staff will draft the report in collaboration with the advisory committee Chair. Committee members will review the report for completeness.

**IV. Public Involvement**

All meetings of the advisory committee are open to the public. The committee will accept public comment at 11:30 a.m. at each meeting. Citizens who wish to discuss proposals are encouraged to communicate directly project staff. DEQ will accept comments submitted during development of the proposal for temporary rules through an informal process, including listening to comments presented during the advisory committee meetings. DEQ will hold a formal public comment period during the follow-up, regular rulemaking that will include public hearings.

**V. Committee Meeting Schedule, Work Plan and Guidelines**

**1. Meeting Schedule.**

The committee plans to hold five meetings (9 a.m. to 4 p.m.) as listed below.

Date	Location <sup>1</sup>	Topics
September 23, 2009	NWR	<ul style="list-style-type: none"> <li>• Project overview: Committee charter, timeline, background information including current reporting rule, the federal reporting rule, WCI's model rule, recent legislation and DEQ's budget</li> <li>• Options for the year one fee schedule</li> </ul>
October 19, 2009	HQ	<ul style="list-style-type: none"> <li>• Committee recommendations for the year one fee schedule</li> <li>• Presentations:</li> </ul>



		<ul style="list-style-type: none"> <li>- Washington State's reporting rules</li> <li>- Electricity companies and power imports</li> <li>- Bonneville Power Administration and consumer owned utilities</li> <li>- Fuel supply and distribution</li> <li>• Oregon's data needs</li> </ul>
November 16, 2009	NWR	<ul style="list-style-type: none"> <li>• Expanding reporting to power importers and fuel distributors</li> <li>• Options for future years' fee schedules</li> <li>• Possible 2010 legislation</li> <li>• Alignment of Oregon's rules with the federal reporting rules and WCI</li> </ul>
January 21, 2010	HQ	<ul style="list-style-type: none"> <li>• Continued discussion</li> </ul>
April 1, 2010	NWR	<ul style="list-style-type: none"> <li>• Committee recommendations</li> <li>• Fiscal impacts of proposal</li> <li>• Draft committee report</li> </ul>

<sup>1</sup> DEQ's northwest region office (NWR) is located at 2020 SW Fourth Avenue, Portland, 97201. The committee will meet in conference room A/B on the fourth floor. DEQ's headquarters office (HQ) is located at 811 SW Sixth Avenue, Portland, 97204. The committee will meet in conference room EQC-A on the tenth floor.

The committee needs to complete recommendations for year one of fees by October 19, 2009 (the second meeting) for DEQ to propose the fee schedule through temporary rule amendments at the December 2009 commission meeting. The committee needs to complete recommendations for the remaining topics by the end of 2009 for DEQ to (potentially) introduce legislation during the 2010 session, to begin the regular rulemaking process in early 2010 and request that the EQC consider adoption of proposed rules by mid-2010.

## 2. Process Overview

- a. Meeting materials: DEQ staff will do their best to prepare briefing materials at least one week prior to each meeting. The Chair will lead the committee in a discussion designed to seek consensus on recommendations for addressing issues.
- b. Meeting summaries: DEQ staff will prepare committee meeting notes. Meeting notes will summarize significant issues raised during the discussion, whether and how issues were resolved, committee recommendations regarding rulemaking and program implementation and other action items. The meeting summaries will be posted on the DEQ website after they are approved by the committee.
- c. Public records and confidentiality: committee records, such as formal documents, discussion drafts, meeting summaries, and exhibits are public records. committee communications are not confidential and may be disclosed. However, the private documents of individual committee members generally are not considered public records if DEQ or another public body does not use or retain copies.
- d. Process conclusion: A committee report with recommendations will be submitted to the DEQ Director.

## 3. Ground Rules

All committee members commit to:

- a. Attend each meeting to ensure continuity throughout the process; avoid substituting or alternating members whenever possible;
- b. Treat everyone and his or her opinions with respect;
- c. Allow one person to speak at a time;
- d. Comment constructively and specifically;



- e. Engage in honest, constructive and good faith discussions in all aspects of the discussion;
- f. Consult regularly with constituencies and provide their input;
- g. Operate according to, and stay focused on, the committee's specific charge; and
- h. Not represent the views of any other member, group, or the committee as a whole to the public.

The committee will seek to operate by consensus and strive to make recommendations on all issues identified. However, if the committee cannot achieve consensus on an issue within a reasonable amount of time, the final report will note the different perspectives of committee members on the issue.

#### **4. Information Exchange**

Committee members will provide information as much in advance as possible of the meeting at which such information is used. The members will also share all relevant information with each other to the maximum extent possible. If a member believes the relevant information is proprietary in nature, the member will provide a general description of the information and the reason for not providing it.

#### **VI. Communications and Media Coverage:**

The DEQ Director's office will respond to media inquiries associated with the organization, structure, process and Charge of the advisory committee. The committee Chair will represent the committee as a whole to the media.

While free to communicate with the media and others, committee members recognize that the collaborative process is enhanced when they raise all of their ideas and concerns, especially those being raised for the first time, at a formal committee meeting. Additionally, members recognize that the way in which positions are publicly represented may affect the ability of the committee to work together. It is often advisable to simply refer others to the DEQ project website, <http://www.deq.state.or.us/aq/climate/index.htm>.

#### **VII. Process Support**

DEQ is responsible for providing staff support to the committee and for providing background and technical information about Oregon's data and funding needs, Senate Bill 38, Senate Bill 103, the federal rules and Western Climate Initiative. DEQ will consult with the Oregon Department of Energy, Oregon Public Utility Commission, and other agencies and stakeholders as needed, to support the advisory committee and will provide white papers and other information of interest to the committee.

#### **VIII. Committee Membership**

DEQ appointed initial committee members on October 1, 2007. DEQ will appoint additional members on October 1, 2009.

Mark Reeve, former Chair of the Oregon Environmental Quality Commission, will be Chair of the advisory committee. The Chair is responsible for:

- Facilitating meetings;
- Keeping members focused on the issues and objectives;
- Ensuring that all members adhere to the process and ground rules; and
- Representing the advisory committee to the media.



**Greenhouse gas reporting advisory committee members:**

- Mark Reeve, Chair, Reeve Kearns PC
- Michael Armstrong, City of Portland Office of Sustainable Development
- Pam Barrow, Northwest Food Processors Association
- Shanna Brownstein, The Offset Quality Initiative; The Climate Trust
- Kyle Davis, PacifiCorp
- Angus Duncan, Bonneville Environmental Foundation
- Jim Edelson, Oregon Interfaith Global Warming Campaign
- Ed Elliott, Northwest Propane Gas Association
- Sandy Flicker, Oregon Rural Electric Cooperative Association
- Lee Fortier, Dry Creek Landfill
- Janet Gillaspie, Oregon Association of Clean Water Agencies
- Don Haagenen, Cable Huston et al./Waste Management
- Brock Howell, Environment Oregon
- Bob Jenks, Citizens' Utility Board of Oregon
- Suzanne Lacampagne, Miller Nash/Associated Oregon Industries
- Brendan McCarthy, Portland General Electric
- Holly Meyer, NW Natural
- Tom O'Connor, Oregon Municipal Electric Utilities Association
- Lynne Paretchan, Perkins Coie LLP
- Danelle Romain, Oregon People's Utility District Association; Oregon Petroleum Association
- Scott Stewart, Intel Corporation
- Kathryn VanNatta, Northwest Pulp and Paper Association
- Tom Wood, Stoel Rives/Ash Grove Cement
- Tom Zelenka, Schnitzer Steel/Cascade Steel Rolling Mills

**Ex-Officio Members:**

- Andrew Ginsburg, Oregon Department of Environmental Quality
- Uri Papish, ODEQ, (503) 229-6480, papish.uri@deq.state.or.us
- Diana Enright, Oregon Department of Energy
- Merlyn Hough, Lane Regional Air Protection Agency

**Greenhouse gas reporting advisory committee project staff:**

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- Bill Drumheller, ODOE, (503) 378-4035, bill.drumheller@state.or.us
- Maury Galbraith, Public Utility Commission, (503) 378-8718, maury.galbraith@state.or.us

**Alternative formats**

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