



# Fact Sheet

## Climate Protection Program 2024

The Oregon Department of Environmental Quality’s proposed Climate Protection Program 2024 rules will reestablish a cornerstone program for meeting Oregon’s climate goals. Following the invalidation of the previous program in late 2023, DEQ started the rulemaking process early 2024 to keep Oregon on track to achieve meaningful greenhouse gas emission reductions. The goal is to establish a program of similar scope and ambition, while also learning from the two years DEQ spent implementing the previous program.

The below is a simplified explanation of some differences between the previous Climate Protection Program and the draft rules DEQ is proposing under the 2024 rulemaking. See full disclaimer at the bottom of this fact sheet.

### Program purpose

Like the previous program, the Climate Protection Program 2024 proposed rules set an enforceable declining cap on greenhouse gas emissions from fossil fuels used throughout Oregon, including diesel, gasoline, and natural gas. The program is designed to reduce these emissions by 50% by 2035 and 90% by 2050. In addition to significantly reducing climate pollution, the Climate Protection Program 2024 proposed rules:

- Support reductions in other types of air pollution.
- Improve public health in Oregon communities, particularly environmental justice communities which are most impacted by pollution and climate change.
- Prioritize equity by promoting benefits and alleviating burdens for environmental justice communities,
- Provides regulated parties with compliance flexibility options to manage their costs.

### What’s different in the 2024 proposed rules

The table below is a simplified explanation of some differences between the previous Climate Protection Program and the draft rules DEQ is proposing under the 2024 rulemaking.

	Was there a change?	Why?
<b>Significant reduction in greenhouse gas emissions.</b>	No. Greenhouse gas emissions will still be reduced by 50% by 2035 and 90% by 2050.	To keep Oregon on track to achieve meaningful greenhouse gas emission reductions.

#### Translation or other formats

Español | 한국어 | 繁體中文 | Русский | Tiếng Việt | العربية  
800-452-4011 | TTY: 711 | [deqinfo@deq.oregon.gov](mailto:deqinfo@deq.oregon.gov)

<p><b>Community Climate Investments</b></p>	<p>Yes. DEQ includes language to further ensure federally recognized Tribes and Tribal communities benefit from any CCI funds.</p> <p>DEQ will allow regulated companies to purchase more CCI credits at the start of the program.</p> <p>DEQ will use 4.5% of the funds going into the CCI program for administration and oversight. This includes requirements for internal and external auditing.</p>	<p>These changes better align with program objectives, particularly supporting benefits for environmental justice communities, including Tribes and Tribal communities.</p> <p>DEQ's use of funds will improve the agency's administration, oversight and implementation of the CCI component of the program.</p>
<p><b>Program evaluation</b></p>	<p>Yes. DEQ will regularly request information from the Oregon Public Utilities Commission on changes to natural gas customer rates to determine if these rates have increased significantly due to a utility's cost to comply with CPP 2024 and to consider potential changes to address those impacts.</p>	<p>DEQ is committed to working with the Oregon Public Utilities Commission to evaluate and mitigate any potential significant increases in customer bills due to utility compliance costs.</p>
<p><b>Emissions intensive trade exposed sources</b></p>	<p>Yes. This is a new type of regulated facility. These facilities will now be independently responsible for complying with CPP 2024, because they are significant users of natural gas. Under the previous Climate Protection Program, the natural gas utility would be responsible for meeting the capped emission reductions at these facilities.</p>	<p>During the rulemaking, DEQ learned these facilities may have more resources and options to reduce emissions when regulated directly. Direct regulation also allows DEQ to consider options for further reducing any incentive for businesses to move away and pollute outside of Oregon.</p>
<p><b>Compliance periods</b></p>	<p>Yes. DEQ is proposing two-year compliance periods. The previous Climate Protection Program used three-year compliance periods.</p>	<p>DEQ determined that multi-year compliance periods are an important for compliance flexibility, but shorter compliance period could potentially better incentivize and guarantee emission reductions.</p>
<p><b>Best available emission reduction sources</b></p>	<p>DEQ continues to propose to use a site-specific approach to regulate industrial process emissions not regulated under the cap. DEQ is proposing few changes to the BAER program, but has requested comment on whether and how DEQ might regulate emission from these sources under the emissions cap.</p>	<p>DEQ is requesting comment on whether there is a more efficient way to reduce emissions from these businesses while continuing to provide flexibility to mitigate any potential incentives to relocate businesses to outside of Oregon.</p>

## Emissions-intensive, trade exposed sources

Emissions-intensive, trade exposed sources are facilities that will be independently responsible for complying with the program. Specifically, these are facilities with certain North American Industry Classification System code(s) and that has emitted 15,000 metric tons of CO<sub>2</sub> equivalent or more in 2020 or later years.

## Distribution of compliance instruments to fuel suppliers that reduced emissions

A number of fuel suppliers made significant strides in reducing their emissions below the cap under the previous program. Under the previous program these fuel suppliers would have been allowed to save up or trade their compliance instruments. DEQ wants to honor the work these suppliers did under the assumption that saving or trading compliance instruments would provide them more flexibility in the future. Under the CPP 2024 proposed rules, DEQ is proposing a one-time distribution of compliance instruments to these suppliers that represents what these suppliers would have banked or traded.

## **Rulemaking information**

To learn more about the proposed rules, go to the [Climate Protection Program 2024 rulemaking website](#). Information there includes the notice of proposed rulemaking, draft rules and information about how to submit public comment. The public comment period will go from July 30, 2024 to Aug. 30, 2024 at 4:00 p.m.

## **Disclaimer: how to use and interpret this fact sheet**

This fact sheet is a plain language explanation of some differences between the proposed new Oregon Administrative Rules, chapter 340, division 273 and the prior Climate Protection Program rules adopted by the Environmental Quality Commission in 2021 but invalidated by the Oregon Court of Appeals in 2023. This explanation is based on information available to DEQ at the time of the Notice of Proposed Rulemaking and is not final. This explanation is provided for information purposes only, and should not be relied upon or cited as a statement of the legal effect of the CPP 2024 proposed rules, if adopted by the EQC.

## **Non-discrimination statement**

DEQ does not discriminate on the basis of race, color, national origin, disability, age or sex in administration of its programs or activities.

Visit DEQ's [Civil Rights and Environmental Justice page](#).