



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 initiated this rulemaking 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.

Below is a simplified explanation of some differences between the 2021 Climate Protection Program and the rules DEQ is proposing to the Environmental Quality Commission for the commission’s consideration at its Nov. 21, 2024 meeting. See full disclaimer at the bottom of this fact sheet.

Program purpose

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 most impacted by pollution and climate change.
- Prioritize equity by promoting benefits and alleviating burdens for environmental justice communities
- Provide regulated parties with compliance flexibility options to manage their costs.
- Support a strong economy.

What’s different in the 2024 proposed rules

| | Was there a change? | Why? |
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| Significant greenhouse gas reductions in Oregon | No change. Overall, the program is designed to reduce emissions 50% by 2035 and 90% by 2050. | Keeps Oregon on track to achieve meaningful emission reductions. |
| Monitoring natural gas utility rates | Yes. In addition to monitoring relative changes in fuel prices in neighboring states for gasoline, diesel and propane, DEQ will request information from the Oregon Public Utility Commission on natural gas rates to determine what might | DEQ is committed to working with the Oregon Public Utility Commission to evaluate and mitigate any potentially significant increases in customer bills due to utility compliance costs for the CPP 2024. |

Translation or other formats

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| | Was there a change? | Why? |
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| | <p>be attributable to costs to comply with CPP 2024.</p> <p>DEQ will request this information at least once a compliance period. Based on information from PUC, if DEQ was to determine customer rates increased or will increase significantly due to CPP 2024, when compared over a similar timeframe to neighboring states with programs limiting emissions from natural gas, DEQ would recommend changes to the EQC.</p> | |
| Community Climate Investments | <p>The CCI program remains focused on providing benefits for environmental justice communities across Oregon. DEQ has included additional language to further ensure federally recognized Tribes and Tribal communities benefit from CCI projects.</p> <p>As approved by the Legislature in 2023, a 4.5% fee on CCIs will go towards DEQ program administration and oversight.</p> <p>DEQ has added additional language to clarify eligible projects for CCIs, which are actions that reduce anthropogenic greenhouse gas emissions that would otherwise occur in Oregon in the transportation, residential, industrial and commercial sectors.</p> | <p>The program continues to ensure the program will enable all Oregon communities to benefit from a clean energy transition.</p> <p>These changes better align with program objectives, particularly supporting benefits for environmental justice communities.</p> <p>The fee will increase DEQ's ability for oversight of CCI funds and their use, improving transparency and accountability of CCI investments, their effects, and program efficiency.</p> |
| Energy-intensive trade-exposed industries/direct natural gas sources | <p>Yes. These are new types of regulated facilities.</p> <p>EITE sources are independently responsible for complying with CPP 2024 because they are significant users of natural gas and are exposed to competition outside the state. EITE sources are regulated for all emissions from natural gas, including emissions from gas supplied by natural gas utilities. These sources are also regulated for process emissions and emissions from solid fuels.</p> <p>DNG sources are also significant sources of emissions and are also regulated for process emissions, solid fuels and any emissions from natural gas provided by an entity other than a utility.</p> | <p>These sources have more resources and are expected to have more options for reducing emissions if directly regulated.</p> <p>Direct regulation allows DEQ to consider options for better preventing potential leakage. Leakage means the relocation of emissions and businesses outside of Oregon to places without comparable emission reduction programs.</p> |

| | Was there a change? | Why? |
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| | These sources are exempt from compliance obligations for the first compliance period, 2025-2028. DEQ will use that time to develop carbon emissions intensity targets to regulate these sources. Carbon emissions intensity targets would calculate the number of greenhouse gas emissions emitted per unit of product for each facility. | |
| Best available emissions reduction approach | Yes. DEQ is no longer proposing a site-specific, best available emission reduction approach to regulate industrial emissions not regulated under the cap. Instead, all emissions under the program will be regulated under the cap. | <p>With this proposed change all emissions will be regulated under the declining emissions cap.</p> <p>DEQ also determined that while the BAER approach allowed for production growth to be considered in the regulation of these sources, the proposed regulation of EITE and DNG sources will better reduce potential leakage, while maintaining significant emissions reductions.</p> |
| Compliance periods | Yes. Compliance periods are now two years except for the first compliance period which is three years. | <p>Multi-year compliance periods are important for compliance flexibility and cost containment. However, a shorter two-year compliance period provides better incentives for, and more regulatory certainty to achieve, emission reductions and can aid in establishing a robust compliance instruments market.</p> <p>However, DEQ is proposing an initial three-year compliance period to provide more flexibility to regulated entities at program start and to allow for more time and new resources to develop the carbon emission intensity targets for EITE and DNG sources.</p> |

Disclaimer: how to use and interpret this fact sheet

This fact sheet is a plain language explanation of some differences between the previous Climate Protection Program, adopted by the Environmental Quality Commission in 2021 but invalidated by the Oregon Court of Appeals in 2023, and the draft rules DEQ is proposing to the EQC, proposed new Oregon Administrative Rules, chapter 340, division 273, for the commission’s consideration at the [Nov. 21, 2024 meeting](#). The EQC could vote to adopt, not adopt, or modify the CPP 2024 proposed rules in their entirety or in part. This explanation is based on information available to DEQ as of this date 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.

More information

Materials for the Nov.21, 2024 EQC meeting are available on the [EQC website](#). Additional information about the CPP 2024 rulemaking is on the [rulemaking web page](#).

Non-discrimination statement

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