



Oregon

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To: Energy Facility Siting Council

From: Thomas Jackman, Rulemaking Coordinator

Date: August 9, 2024

Subject: Agenda Item C (Public Hearing):
Carbon Monetary Offset Rulemaking Public Hearing for the August 23, 2024
EFSC Meeting

BACKGROUND

To issue a site certificate to a fossil-fueled power plant, or certain carbon dioxide emitting nongenerating facilities, the Council must determine that the preponderance of evidence on the record supports a conclusion that the proposed energy facility complies with any applicable carbon dioxide emissions standard.

To meet the standard, most proposed facilities must reduce a portion of the gross carbon dioxide emissions the facility is projected to produce over an assumed 30-year life span by avoiding, displacing, or sequestering a sufficient amount of carbon dioxide or certain other greenhouse gasses.

All applicants have elected to use the “monetary pathway” to comply with the standard. The monetary pathway uses an assumed monetary offset rate to determine the amount of funds that is sufficient to produce the equivalent of a one-ton reduction in carbon dioxide emissions.

Council has been directed in statute (ORS 469.503(2)(c)(C)) to set a carbon monetary offset rate that is based on the empirical evidence of the cost of carbon offsets. Based on an analysis of the market rate for carbon offsets, this rulemaking proposes to increase the existing carbon monetary offset rate by approximately fifty percent, from \$4.27 to \$6.40.

At its July 19, 2024 meeting, the Energy Facility Siting Council (EFSC or Council) authorized issuance of a Notice of Proposed Rulemaking (NPR) for their carbon monetary offset rules, located at OAR 345-024-0580. Oregon Department of Energy (ODOE) staff submitted the NPR to the Oregon Secretary of State office on July 30, 2024. At that same July meeting, EFSC scheduled a public hearing on the proposed rules for August 23, 2024 at 8:45 am.

PUBLIC HEARING

Oral comments will be accepted at the hearing both in-person at the Maxwell Event Center, located at 145 N. 1st Place in Hermiston, OR and virtually via the web link, found at EFSC's rulemaking webpage and in the meeting agenda. Additionally, a written public comment period is now open and will close on August 26, 2024, at 5 pm. All written comments must be received by the deadline.

Any written public comments received prior to the August 23, 2024 meeting will be provided to the Council prior to the meeting. Any comments received after this time will be provided to Council for the September EFSC meeting.

Aside from staff's submission of the NOPR and EFSC's scheduling of the public comment period and hearing discussed above, nothing has changed regarding this rulemaking since Council review of Agenda Item D at the July 19, 2024 Council meeting.

RULMAKING TIMELINE

Council approves Carbon Offset rulemaking as part of 2024 schedule.	January 26, 2024
Council approves proposed rules and authorizes Notice of Proposed Rulemaking	July 19, 2024
Issue Notice of Proposed Rulemaking	July 22, 2024
Rulemaking hearing	August 23, 2024
Public comment deadline	August 23, 2024
Council adoption of permanent rules	September 20, 2024