THE CLIMATE PROTECTION PROGRAM'S ROLE IN OREGON'S CLEAN ENERGY TRANSITION

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Carra Sahler, Director and Staff Attorney

The Green Energy Institute at Lewis & Clark Law School

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Critical Policy to Meet the Moment

- Oregon's average annual temperature has increased by about 2.2°F over the past century. Without GHG mitigation, expect increase by 5°F by 2050, and 8.2°F by 2080.
- Multi-year drought is affecting nearly every part of the state.
- 2024 brought the worst wildfire season, burning 1.9 million acres.
- Increased erosion and flooding.

Wildfire suppressant dropping from plane. Courtesy of ODOT.

Figure 2. Coastal erosion at Gleneden Beach, Lincoln County, March 2021. Photograph by Hailey Bond.

Figure 5. Paired images of the Collier Glacier on North Sister. Top: Collier Glacier, 2020. Bottom: 2020 image with an inset of the glacier in 1934. 1934 photograph by Ruth Hopson Keen; 2020 image by Andrew Fountain.

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In Good Company

Regional Greenhouse Gas Initiative (11 states) - 2009

California - 2006 economy-wide cap and trade

Washington - 2021 economy-wide cap and invest

Colorado - an all-government approach

- Emissions credit trading, incentives, and regulations

Vermont - Clean Heat Standard

New York – Developing cap-and-invest rules

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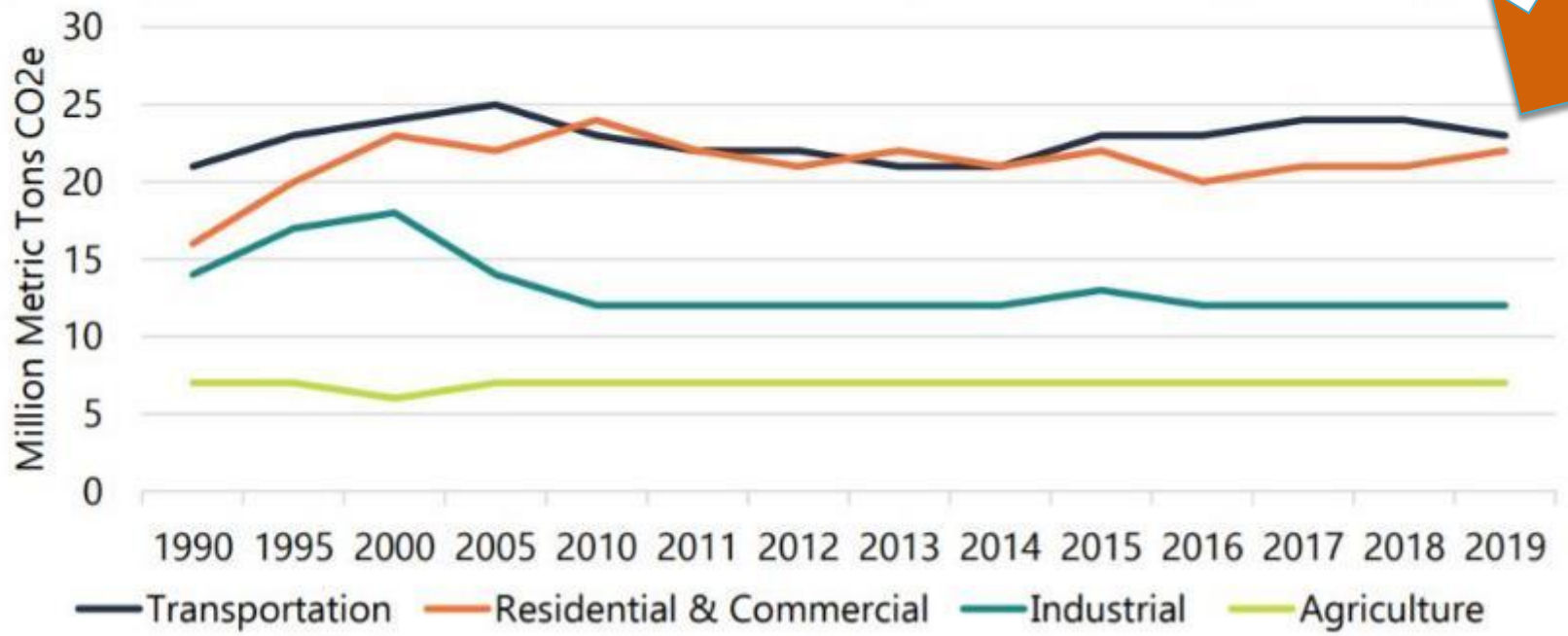
Main causes of our GHG pollution

Figure 4: Oregon Emissions in Million Metric Tons of CO2e by Sector: 1990-2019 (Source: DEQ, 2020)



Benefits of the Climate Protection Program

- Cap and *reduce* greenhouse gas emissions from Oregon's top sources of emissions.
- The only regulation of emissions from direct-use natural gas.
- Business-minded approach that considers EITEs
- Will improve local air quality and provide local jobs.
- Upfront costs offset by long-term fuel cost savings.
- Creative measure to address the need for climate mitigation and adaptation

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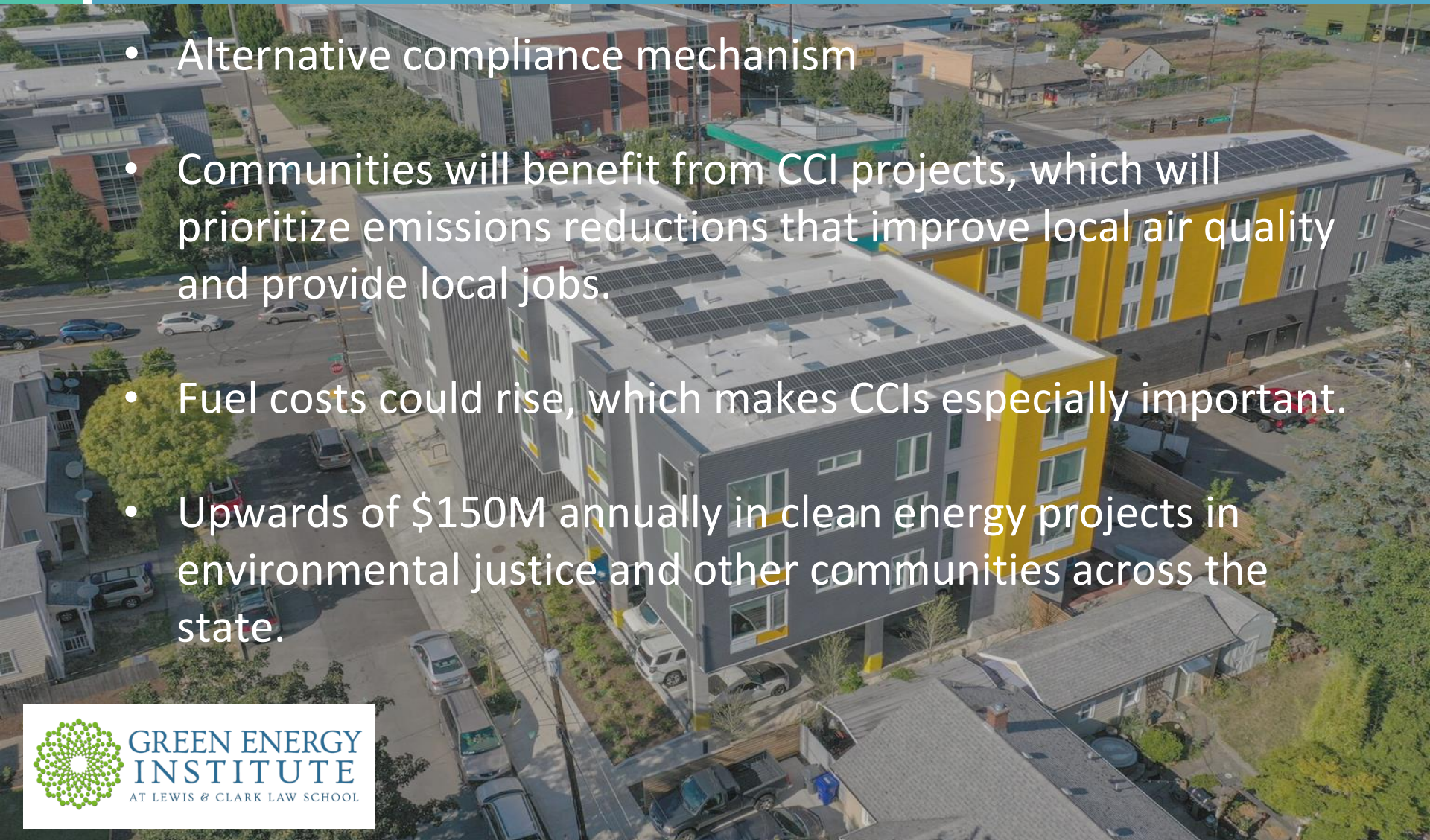
What about this Community Climate Investment?



- Alternative compliance mechanism
- Communities will benefit from CCI projects, which will prioritize emissions reductions that improve local air quality and provide local jobs.
- Fuel costs could rise, which makes CCIs especially important.
- Upwards of $150M annually in clean energy projects in environmental justice and other communities across the state.

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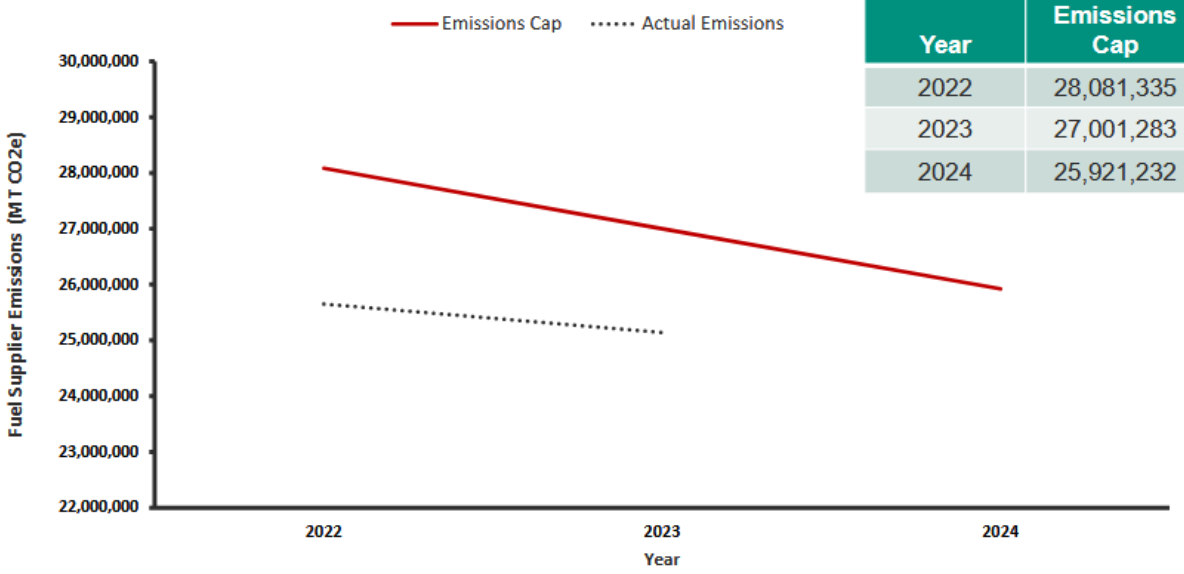
Compliance period 1



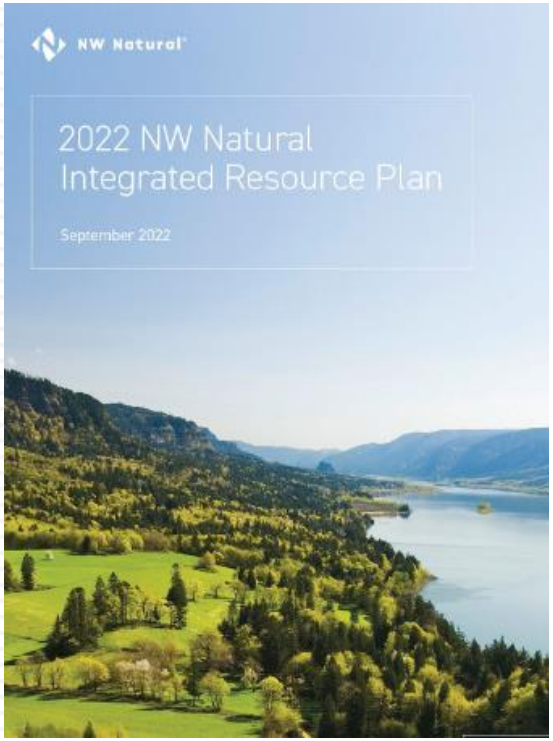
Year	Emissions Cap	Actual Emissions	Extra Emission Reductions
2022	28,081,335	25,651,148	2,430,187
2023	27,001,283	25,186,638	1,814,645
2024	25,921,232	?	?

~ 4.2 million MT CO2e under the emissions cap over first two years of CPP

What we learned from the initial CPP

Transportation fuel suppliers beat the cap for the first compliance period of the original CPP

Oregon Gas Utilities' Integrated Resource Plans



The elephant in the room…

- **Authority to adopt standards to regulate greenhouse gas emissions as "air contaminants" and "air pollution" (ORS 468A.005)**

- **Regulated entities as "air contaminant sources" (ORS 468A.005, ORS 468.130)**

- **Authority to set maximum - and declining - amounts of greenhouse gas emissions statewide or from individual air contamination sources (ORS 468A.025(3))**

- **Governor and legislative oversight/budgeting**

  2020: Legislative Emergency Board appropriated $5M and Governor directed DEQ to reduce GHG emissions from stationary sources, transportation fuels, and other liquid and gaseous fuels

  2023: HB 3409 - Granted EQC authority to establish fee on CCIs and directed DEQ to administer and oversee CCIs in CPP program

Questions?

CONTACT:

Carra Sahler

Director and Staff Attorney, Green Energy Institute at Lewis & Clark Law School

sahler@lclark.edu