



October 9, 2023

Environmental Quality Commission

Subject: DEQ's 2023 Climate Rulemaking

Chair George, Vice Chair Baraso, members of the Commission:

MCAT is a community of volunteers working to advance sound climate policy and ensure Oregon is a leader in addressing the climate crisis. Several of our members participated in the extensive 18-month rulemaking and stakeholder engagement process surrounding the development of the Climate Protection Plan (CPP), which was adopted with overwhelming public support.

The CPP was intentionally designed with both climate and equity goals, and DEQ should not allow regulated entities to comply with emission reduction goals without also simultaneously delivering public health, economic, and employment benefits for communities in Oregon. Ensuring that both goals of the CPP are met is critical because these direct economic benefits will strengthen public acceptance and support for the program and help to offset some of the negative impacts of likely fuel price increases.

We are greatly concerned that the proposed draft rules would dramatically undermine the CPP's public health, economic, and employment goals, by

- Allowing regulated gas utilities to rely on out-of-state purchases of biomethane-based Renewable Thermal Certificates, which provide no direct benefits to Oregon consumers, workers, local economies, and environmental justice communities across the state, and can be of questionable emission reduction value.
- Allowing the expansion of large industrial emitters by exempting existing BAER facilities that undergo a process expansion from filing for an updated BAER review, which theoretically would allow them to expand at a BAER approved emission rate without review for up to 5 years.

Given the far-reaching consequences this rulemaking will have for the climate and communities in Oregon, we strongly urge the EQC to direct staff to strengthen the final rules so as not to undermine the equity goals of the CPP by:

1. Restricting biomethane and hydrogen used for CPP compliance to that which produces direct benefits for Oregonians; and
2. Requiring that existing BAER facilities cannot expand beyond the 10,000 MT CO₂e /year limit without an updated BAER review *and* a reduction in their per-unit emissions level.



Our greatest concern is that out-of-state biomethane certificates will likely displace investments Community Climate Investment (CCI) credits, which are significantly less expensive than the biomethane credits¹, and will be designed to deliver direct benefits to Oregon consumers, workers, local economies, and environmental justice communities across the state.

We also support maintaining protective restrictions on biomethane accounting in the current rules, including notably, that synthetic methane derived from anthropogenic carbon sources does not comply with the CPP.

Thank you for the opportunity to provide comments on this important rulemaking.

A handwritten signature in black ink that reads "Pat DeLaquil". The signature is written in a cursive, flowing style.

MCAT Steering Committee

Brett Baylor, Rick Brown, Linda Craig, Pat DeLaquil, Dan Frye, Debby Garman, KB Mercer, Michael Mitton, Rich Peppers, Rand Schenck, Jane Stackhouse, Joe Stenger and Catherine Thomasson

¹ Docket No. LC 79, In the Matter of NW Natural, 2022 Integrated Resource Plan, Staff Final Comments, Page 9.