

## Now we're getting somewhere!

Wow, 2021 sure turned out to be a good year for Oregon climate and energy policy! Through both legislative and regulatory action, Oregon seems to finally be on a path to a clean energy transition. Almost two years ago, Governor Kate Brown issued Executive Order 20-04 (the EO), directing Oregon agencies to use their existing legal authority to mitigate climate change. Since then, GEI has been working to ensure the promises of the EO would become reality. Along with several other organizations, GEI advocated for strong caps on greenhouse gas (GHG) emissions from fossil fuels, prodded the Oregon Public Utility Commission (PUC) to ensure our energy utilities rapidly decarbonize, and advocated for governments at all levels to "electrify everything" as part of energy decarbonization.

**This year, we can celebrate many successes!** The Oregon Legislature passed HB 2021, Oregon's 100% Clean Energy for All legislation, that will require Oregon's investor-owned electric utilities to eliminate fossil fuels from their energy supplies by 2040. The Oregon Department of Environmental Quality (DEQ) developed, and the Environmental Quality Commission (EQC) just approved, the Climate Protection Program, which will reduce GHG emissions from fossil fuels and industrial sources by 90% by 2050. DEQ also developed new rules that will phase out high-emitting heavy-duty trucks and reduce methane emissions from landfills. Local governments have stepped up their own efforts to address climate change, particularly through their increased efforts to phase out fossil fuel use and the deployment of new fossil fuel infrastructure in their communities. While there's much more work to be done in 2022 and beyond, 2021 seems to have been a pivotal year for climate and energy policy in Oregon.

GEI has played an active role in all of these efforts. We submitted written and oral comments pushing for ambitious climate policy; we served on numerous rulemaking advisory councils and regulatory planning committees that help inform and guide important regulatory decisions; we participated in multiple collaborative advocacy groups; we hosted five webinars focused on cutting-edge decarbonization issues; we kept two law clerks busy over the summer; and, to top it all off, we celebrated the appointment of GEI staff attorney Amy Schlusser to Oregon's EQC.

We expect the coming year to be just as busy and productive as 2021. Most of the major legislative and regulatory developments of 2021 will require subsequent policy development to ensure effective implementation. GEI will be part of the implementation process. As local governments, businesses, and advocacy groups step up their efforts to decarbonize, GEI will support their work. And we will advance our own projects focused on accelerating policies to electrify everything with zero-emitting energy sources. This work will be more important than ever. While 2021 was a year of accomplishment, it was also a year of unprecedented climate impacts in the Pacific Northwest and beyond. And despite those impacts, elected officials in our national government appear to be unwilling to pass the type of federal legislation we need to effectively address climate change. That makes the type of work we at GEI do even more urgent and necessary.

Below is a brief summary of what we worked on in 2021, and what our future may hold. I personally have felt incredibly grateful and inspired by everything Amy and Carra Sahler have accomplished this year. **In the midst of continued uncertainty, we hope the successes of 2021 provide you some optimism as well.** Happy holidays to all of you and best wishes for 2022!

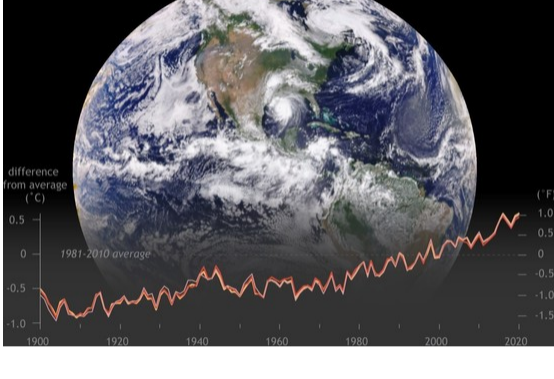
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## Shaping Oregon's Climate Solutions

### DEQ's Climate Protection Program Rulemaking

After a year and a half of deliberative analysis and collaborative stakeholder engagement, Oregon finally adopted regulations to cap and reduce greenhouse gas (GHG) emissions from transportation fuels, natural gas, and industrial facilities. **The final rules require a 50%**

**reduction in GHG emissions by 2035 and a 90% reduction in emissions by 2050.** GEI played an active role in the development of the Climate Protection Program (CPP) by advising DEQ and collaborating with advocates and community groups engaged in the rulemaking process.

GEI staff attorney Amy Schlusser was selected to participate in the 34-member CPP Rulemaking Advisory Committee (RAC), which convened multiple times throughout 2021 to advise DEQ on the program's design. GEI submitted nine rounds of comments on the CPP in 2021 (in addition to six rounds of comments submitted in 2020), recommending strategies to make the program as ambitious, effective and equitable as possible. GEI strongly advocated for including a mechanism to drive investments in emissions-free technologies in Oregon's environmental justice communities. Many of GEI's recommendations are reflected in the final rules, and the CPP's Community Climate Investments mechanism is expected to spur investments in electrification and energy efficiency in communities that are disproportionately burdened by climate change and air pollution. GEI's CPP comments are available on our [website](#).

On November 17, Amy was appointed to the EQC, the five-member rulemaking board responsible for adopting DEQ regulations. On December 16, EQC commissioners Sam Barraso, Molly Kile, and Amy voted to adopt the rules proposed by DEQ, and the Climate Protection Program was approved on a three-to-one vote.

### DEQ's Clean Trucks Rulemaking

Amy was also appointed to DEQ's 2021 Clean Trucks Rulemaking Advisory Committee (RAC), which was asked to advise the agency on its proposal to adopt two California regulatory programs to reduce emissions from medium- and heavy-duty diesel trucks and buses (MHDVs). The rulemaking specifically evaluated adopting California's Advanced Clean Trucks rule, which requires MHDV manufacturers to sell a certain percentage of zero emissions vehicles (e.g. electric trucks) in the state, beginning with the 2024 vehicle model year, and California's Heavy-Duty Low NOx Omnibus rules, which impose stricter limits on nitrogen oxide (NOx) and fine particulate matter emissions from new heavy-duty truck engines. Amy and other RAC members from the Clean Air, Healthy Communities coalition urged DEQ and the EQC to adopt California's Clean Trucks rules, and the Commission voted to adopt the rules in mid-November.

### DEQ's Landfill Gas Emissions Rulemaking

In response to Governor Brown's EO 20-04 directive to take action to reduce methane gas emissions from landfills, DEQ launched a landfill methane rulemaking in early 2021. Amy participated in the RAC, during which she urged the agency to develop stringent standards to restrict methane emissions and limit methane flaring at large landfills across the state. Amy and several other RAC members also encouraged DEQ to measure and evaluate landfill impacts to nearby environmental justice communities and ensure that landfill rules protect public health and wellbeing in those communities. In response to input from Amy and other RAC members, DEQ ultimately recommended that the EQC adopt landfill methane standards that are not only as *stringent* as California's rules, but actually *go a step beyond* California's regulations by imposing control requirements on smaller landfills that exceed emissions thresholds. The EQC voted to adopt DEQ's proposed rules in October 2021.

### Oregon Public Utility Commission's Implementation of EO 20-04

As required by EO 20-04, the Oregon Public Utility Commission developed plans to evaluate how its existing practices—which focus on reducing risk and costs for utilities and their customers—can be used to advance decarbonization, mitigate energy burdens on low-income customers, and ensure system reliability and resource adequacy. The PUC's plans to comply with the EO directives gave GEI a number of different platforms to advocate for accelerated investments in zero-emitting energy technologies and against new fossil fuel development.

In supporting equitable and ambitious transportation electrification policies, GEI participated in several workshops with other stakeholders to encourage utility investments that would reduce GHG emissions, lower energy burdens for vulnerable customers, increase school bus and transit electrification, and include environmental justice communities in designing solutions that fit their needs. We will participate in the resulting rulemaking in the new year to urge the adoption of a revised investment framework that will expand Oregon's access to clean and equitable transportation options.

The most consequential of the PUC's final work plans was arguably the Natural Gas Fact Finding proceeding. The fact finding has forced Oregon's natural gas utilities to publicly unveil their strategies for complying with the Climate Protection Program's GHG emissions caps, and has given stakeholders an opportunity to provide input on the utilities' projected compliance pathways. GEI and other stakeholders have consistently voiced concerns about the utilities' preferred decarbonization strategies, which rely heavily on transitioning to expensive alternative fuels (such as renewable natural gas and green hydrogen) and customer deployment of unproven technologies (such as gas-powered heat pumps). We expect to parlay our concerns about those strategies to secure existing and potential regulatory tools that will help hasten building electrification, protect customers from stranded costs, and prevent emissions lock-in by avoiding the buildout of new gas infrastructure. With vulnerable communities top of mind, GEI intends to continue participating in this fact finding—and the planning processes led by the natural gas utilities—to test assumptions and raise important equity concerns.

### Supporting Climate Action at the Local Level

Over the past year, GEI has engaged in a variety of strategic initiatives to support local efforts to decarbonize the building and transportation sectors. We participated in a series of collaborative policy workshops convened by the Portland Bureau of Planning and Sustainability to evaluate policy options to reduce carbon emissions and improve local air quality. We also participated on the Community Advisory Committee for the Portland 2040 Freight Plan. In addition to engaging in local stakeholder initiatives, GEI also partnered with other public interest attorneys to support building electrification efforts at the local level. We are excited to continue this collaboration in 2022 to support local governments across the state in their efforts to reduce emissions while protecting their communities from indoor air pollution and rising costs.

## Did you miss it? When Offshore Wind Comes On Shore

[Watch the recording here!](#)

U.S. offshore wind energy project installations are headed for the West Coast. Our panel of experts discussed the regulatory landscape facing offshore wind, including the interface between state and federal regulations. They also described the available regulatory systems in place, and those that were created or should have been created, in offshore wind development on the East Coast.

**Elon Hasson**, renewable energy developer and Green Energy Institute advisory council member, moderated a discussion **along with Elaine Albrich, Derek Green, and Jamil Nasir**, all attorneys with extensive experience in state and federal energy regulatory matters.

**Approved for 1.0 Oregon State Bar General CLE credit.**

For Elon Hasson's bio, click [here](#). For Elaine's bio, click [here](#). For Derek's bio, click [here](#). For Jamil's bio, click [here](#).



Thank you for your continued support,

Melissa Powers, Amelia (Amy) Schlusser, and Carra Sahler

The Green Energy Institute Team



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