

HB 3196: Funding DEQ Oversight of Community Climate Investments

Presentation to House Committee on Climate, Energy, and Environment

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HB 3196

- Authorizes Environmental Quality Commission to establish a fee paid by Community Climate Investment entities to fund DEQ's oversight of community climate investments, including:
 - financial review and auditing
 - GHG emission calculations
 - measuring co-benefits
 - reporting out on performance of the program

Background

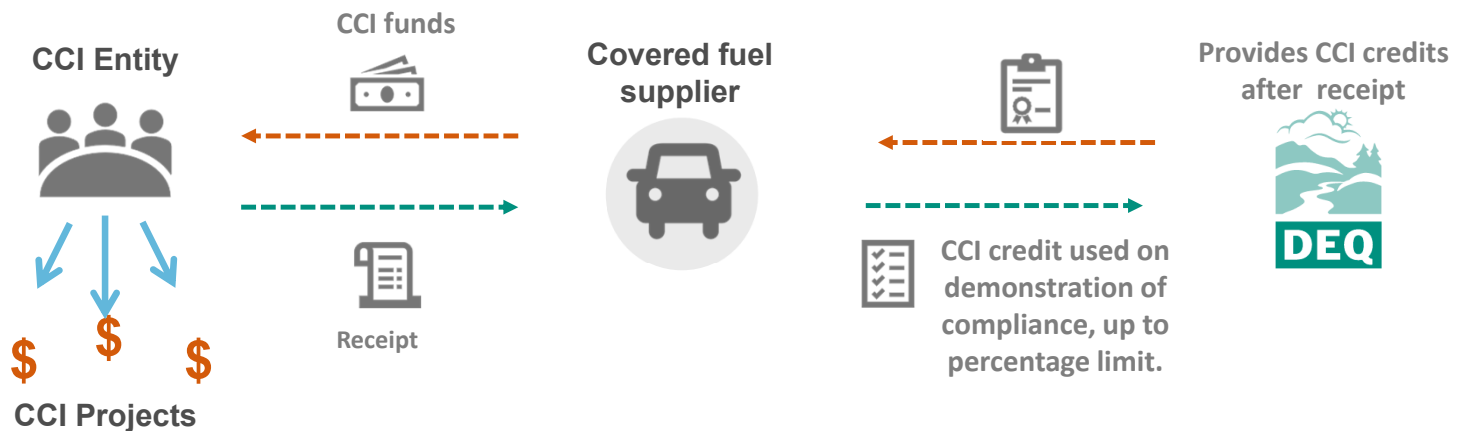
- March 2020: Legislature allocated funds and positions to DEQ to:
- *“be used for rulemaking and other actions with the goal of **reducing greenhouse gas emissions** across all emissions sources, including point sources, natural gas emissions and transportation fuels.”*
- 2020 – 2021: DEQ conducted extensive public outreach culminating in December 2021 adoption of rules that established **Oregon’s Climate Protection Program.**

Enabling an Equitable Clean Energy Transition

- Consistent theme throughout DEQ's public engagement to design the Climate Protection Program was the importance of improving **equitable access to clean energy**.
- GHG emission limits can be regressive: increases to price of fossil fuels impacts low-income households hardest.
- DEQ worked with industry and community organizations throughout our rulemaking process.
 - This work produced a novel program design: **Community Climate Investments**.

Community Climate Investments

- DEQ develops written agreements with non-profit “Community Climate Investment Entities.”
- Regulated fuel suppliers have option to provide funds to CCI Entities and receive additional compliance instruments.
- CCI Entities, with **oversight from DEQ and an Equity Advisory Committee**, invest funds to reduce GHG emissions within Environmental Justice communities in Oregon.



What are Community Climate Investment priorities?

- Reducing greenhouse gas emissions *in Oregon*.
- Reducing emissions of other air contaminants, particularly in or near environmental justice communities.
- Promoting public health, environmental, and economic benefits for environmental justice communities.
- Accelerating the transition to clean energy, particularly for environmental justice communities.



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- Authorizes Environmental Quality Commission to establish a fee to cover costs to DEQ of overseeing community climate investments.
- Oversight would be funded through a small portion of the fees received by the Community Climate Investment entities.
- Fee amount cannot exceed 5% of community climate investment funds.
- The -1 is needed to keep the interest generated from the CCI fund within the fund for use by DEQ.

Funding Oversight of Community Climate Investments

- The CCI program provides flexibility for regulated fuel suppliers and potentially large benefits for frontline communities.
- DEQ is fully utilizing resources granted by Legislature in 2020 to implement new and expanded GHG programs.
- Without additional resources for CCI oversight, DEQ will not be able to administer the CCI program efficiently and transparently.



Questions?