

USA - Oregon

General Information

ETS Description

Oregon's Environmental Quality Commission (EQC) is taking steps to reinstate the Climate Protection Program (CPP) after its invalidation due to a ruling by the Oregon Court of Appeals in December 2023.

Initially launched in 2022, the CPP aimed to reduce GHGs in the state and deliver benefits to Oregon communities. The CPP established a declining cap on regulated emissions for covered entities, which included natural gas utilities (referred to as "local distribution companies") and non-natural gas fuel suppliers. The cap for 2024 was set to cover ~40% of the state's emissions, and planned to reduce each year, to reach 90% below 2017-2019 emissions levels by 2050.

Covered entities were allocated yearly allowances based on their emissions. Additionally, the program permitted these companies to meet up to 10% of their emissions reduction obligations using compliance offset credits sourced from within Oregon, a threshold planned to increase to 20% over time.

In December, the Oregon Court of Appeals ruled the CPP invalid, after considering that the regulatory process failed to comply with disclosure obligations under Oregon law, specifically "ORS 468A.327(1)", which mandates rulemaking notice to facilities holding Title V permits under the federal "Clean Air Act".

The Department of Environmental Quality (DEQ), responsible for administering the CPP, and the EQC will embark on a 12-month rulemaking process, aiming to address the administrative omission that led to the program's initial invalidation and to ensure that Oregon meets its climate protection goals. The state is currently developing an agenda for the upcoming rulemaking process and is considering potential changes to the program.

ETS Status

under development

Jurisdictions

Oregon

Emissions & Targets

Overall GHG Emissions excl. LULUCF (MtCO₂e)

62 MtCO₂e (2021)

GHG reduction targets

By 2035: 50% reduction from baseline by 2035

By 2050: Reduce GHG levels at least 75% below 1990 levels (Chapter 907 Oregon Laws 2007)

Other Information

Institutions involved

Oregon Department of Environmental Quality (DEQ): Implementing state agency for the CPP.

Oregon Environmental Quality Commission (EQC): Panel appointed by the governor of Oregon to serve as DEQ's policy and rulemaking board. EQC adopted the CPP rules in 2021.

Regulatory Framework

[Division 271 – Oregon Climate Protection Program](#)

[Division 12 – Enforcement Procedure and Civil Penalties](#)

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