

Low Carbon Fuel Advisory Committee

DRAFT Operating Principles



The members of the Low Carbon Fuel Advisory Committee agree to operate under these operating principles.

I. Purpose

The 2009 Legislature authorized the Environmental Quality Commission (EQC) to adopt a Low Carbon Fuel Standard (LCFS) in order to reduce greenhouse gas emissions from gasoline, diesel, or any fuel that substitutes for gasoline or diesel.

The Department of Environmental Quality (DEQ) will be drafting rules for EQC adoption, and has convened this Advisory Committee to discuss and give input on specific policy and technical issues related to the Low Carbon Fuel Standard, including review of DEQ's draft fiscal and economic impact statement.

II. Low Carbon Fuel Advisory Committee Charge

DEQ will draft Low Carbon Fuel Standard Rules.

1. The Low Carbon Fuel Advisory Committee will discuss and give input on program requirements and issues as part of the rulemaking process, within the timeframe provided. DEQ is seeking diverse input into policy and technical issues regarding implementation of a LCFS in Oregon.

DEQ is seeking input on the following issues. These are described in more detail in Agenda Item C for the November 3rd advisory committee meeting entitled "Rulemaking Process and Policy Issues." Where an issue has a specific requirement or mention in HB 2186, the section is noted.

- Consumer cost safety net (exemptions and deferrals to mitigate a non-competitive price of gasoline or diesel) (Section 6, (2)(d))
- Fuels covered under a low carbon fuel standard (including which ones are opt-in) (Section 6 (2)(b)(C))
- Exemption threshold and exempted fuels (Section 6, (2)(b)(E), and Section 6, (4)(a)-(d))
- Oregon's approach to lifecycle analysis and calculating fuel carbon intensities (Section 6, (2)(b)(B)), including drive train efficiencies, (Section 6 (2)(b)(G))
- Economic analysis (Section 6 (3)(a) and Section 6 (3)(d))
- Regulated parties
- Credits and deficits
- Compliance scenarios and feasibility (Section 6 (3) (a))
- Electricity-specific issues
- Short term and forecasted fuel supply deferrals (Section 6, (2)(b)(D))

- Indirect land use change (Sec. 6 (2)(b)(B))
 - Process for establishing new fuel pathways
 - Implementation issues (Section 6 (3)(c))
 - Phase-in schedule (Section 6 (2)(b)(A) and 6 (2) (c))
 - Public health and environmental impacts (Section 6 (3)(a) and (b))
 - Effect of sunset (Section 9 (2)(d))
2. Other recommendations from the Low Carbon Fuel Advisory Committee pursuant to ORS 183.333 include:
- a. Whether the rules will have a fiscal impact, and if yes, what the extent of that impact will be, and
 - b. Whether the rules will have a significant adverse impact on small businesses, and if so, recommendations on compliance with ORS 183.540.

III. Low Carbon Fuel Advisory Process and Operating Principles

A. Process: The Low Carbon Fuel Advisory Committee is being asked to discuss and give input on key program policy and technical issues influencing the design and implementation of a LCFS in Oregon. The committee's discussions will be used by DEQ in forming its draft LCFS rule, which will then be proposed for broader public review and comments as part of DEQ's rulemaking process. DEQ is seeking diverse input from key stakeholders into the design of a LCFS. Recognizing the complexity of a LCFS program, DEQ will not seek consensus positions from the committee, nor will the committee be asked to vote on specific issues. However, DEQ would give great weight to any committee recommendation in which there is consensus. Meeting summaries and a final report will document the different perspectives and recommendations of committee members.

The product of this Advisory Committee will be a DEQ report summarizing Advisory Committee discussions and recommendations to the DEQ Director. DEQ staff will draft the report in collaboration with the Advisory Committee to ensure accuracy and completeness. This summary report will be made available to the public at the end of the committee process and as part of DEQ's subsequent LCFS rulemaking.

B. Operating Principles

The Chair will be responsible for:

1. Helping facilitate the conversation so the committee stays focused on the issues and objectives and all perspectives are heard; and
2. Helping all members adhere to the process and ground rules.

All Low Carbon Fuel Advisory Committee members are asked to commit to the following ground rules:

1. Attend each meeting to ensure continuity throughout the process;
2. Prepare for and set aside time for the meetings;
3. Treat everyone and his or her opinions with respect;
4. Allow one person to speak at a time;
5. Comment constructively and specifically;
6. Engage in honest, respectful, constructive, and good faith discussions;

7. Consult regularly with constituencies and provide their input;
8. Stay focused on the specific topics for each meeting;
9. Not attempt to represent the views of any other committee member or the Low Carbon Fuel Advisory Committee as a whole to the public or media; and
10. Appoint one alternate if needed. It is each committee member's responsibility to fully brief the alternate on all relevant issues and prior committee discussions. DEQ would appreciate being informed in advance if an alternate will substitute for a primary committee member at a meeting.

C. Public Records and Confidentiality: Low Carbon Fuel Advisory Committee records, such as formal documents, discussion drafts, meeting summaries, and exhibits are public records. Low Carbon Fuel Advisory Committee communications are not confidential and may be disclosed. However, the private documents of individual Low Carbon Fuel Advisory Committee members and the Chair generally are not considered public records if the Agency does not retain copies.

D. Information Exchange: Low Carbon Fuel Advisory Committee members will provide information as much in advance as possible of the meeting at which such information is used. The members will also share all relevant information with each other to the maximum extent possible. If a member believes the relevant information is proprietary in nature, the member will provide a general description of the information and the reason for not providing it.

IV. Public Involvement

All meetings will be open to the public and have a limited time set aside for the public to speak. Additionally, citizens who wish to submit comments are encouraged to communicate directly with a Low Carbon Fuel Advisory Committee member or to communicate by submitting written comments through the website: <http://www.deq.state.or.us/committees/advcomLowCarbonFuel.htm>. All public comments received will be compiled and included as an Appendix in the Low Carbon Fuel Advisory Committee's Report to the DEQ Director. In mid 2010, with guidance from the Committee's report, DEQ intends to develop proposed Low Carbon Fuel Standard rules and conduct an open and public rulemaking process. DEQ will seek and carefully consider broader public and stakeholder input. DEQ's final rule proposal may be modified based on public comment. Each committee member can provide additional comments to DEQ on the LCFS rule during the public comment period of the rulemaking. DEQ hopes to take a final proposed LCFS rule to the Environmental Quality Commission (EQC) for consideration in late 2010.

V. Process Support

DEQ is convening the Low Carbon Fuel Advisory Committee and will be the primary agency providing staff support. DEQ will consult with other agencies and stakeholders, as needed, to support this project and the Low Carbon Fuel Advisory Committee.

Briefing Materials: DEQ staff will email briefing materials at least one week prior to each meeting. The committee Chair will lead the Low Carbon Fuel Advisory Committee in a discussion to gather input from Advisory Committee members on the issue at hand.

Meeting Summaries: DEQ staff will prepare Low Carbon Fuel Advisory Committee meeting summaries. Meeting notes will summarize significant issues raised during the discussion, whether and how issues were resolved, and individual committee member recommendations regarding program elements, implementation, and other action items. The meeting summaries will be posted on the Project website at:

<http://www.deq.state.or.us/committees/advcomLowCarbonFuel.htm>.

Advisory Committee Conclusion: As noted above, DEQ will develop a report on the advisory committee discussions and recommendations. If the advisory committee achieves consensus on any issue, the report will reflect that, otherwise the report will reflect the perspectives and recommendation of any of individual committee members. The report, after review and modification by the advisory committee as needed, will be submitted to the DEQ Director.

VI. Communications and Media Coverage:

The DEQ Air Quality Division headquarters office will respond to public or media inquiries associated with the organization, structure, process, and goals for the low carbon fuel standard rule development and advisory committee. While free to communicate and share individual perspectives with the media and others, DEQ asks advisory committee members to offer their personal viewpoint only and to refrain from speaking for other committee members or the advisory committee as a whole. We ask committee members to vet ideas and issues concerning the low carbon fuel standard at committee meetings before discussing them outside of the committee structure, since the way in which positions are publicly represented may affect the ability of the Low Carbon Fuel Advisory Committee to work together. When asked for information about the purpose or activities of the committee DEQ asks you to refer others to the project website:

<http://www.deq.state.or.us/committees/advcomLowCarbonFuel.htm>.

VII. Low Carbon Fuel Advisory Committee Membership

Mark Reeve (Chair)

Frank Holmes, Western States Petroleum Association

Robert Grott, Northwest Environmental Business Council representing NW Biofuels Association

Tom Koehler, Pacific Ethanol

Ian Hill, SeQuential Biofuels

Kyle L. Davis, PacifiCorp

Matt Michel, Canby Utility

Abe Fouhy, American Hydrogen Association Northwest

Dan Kirschner, Northwest Gas Association

Katie Fast, Farm Bureau

Bob Russell, Oregon Trucking Association

Sam Pounds, Tidewater Barge Lines

Michael A. Johns, Lane County Department of Public Works

Marie Dodd, AAA

John Rakowitz, AGC Associated General Contractors

Ronald G. Russ, Portland and Western Railroad

Mark Kendall, Oregon Environmental Council

Brock Howell, Environment Oregon

Christine Kelly, Professor, Oregon State University

Andrew Plambeck, Citizen, Ecumenical Ministries
 Geoff McPherson, Citizen
 Marion Haynes, Oregon Business Association
 Marcy Putman, Labor Union – Electric Workers
 Emily Ackland, Association of Oregon Counties
 Sam Hartsfield, Port of Portland
 David N. Patterson, Mitsubishi Motors R&D of America
 Joshua Proudfoot, Good Company
 Danelle Romain, Oregon Petroleum Association
Placeholder for advanced ethanol industry representative

VIII. DEQ contacts for Low Carbon Fuel

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Sue Langston	Air Quality Planner, Lead Staff for LCFS	503-229-5215	langston.sue@deq.state.or.us
Wendy Simons	Greenhouse Gas Specialist	503-229-5388	simons.wendy@deq.state.or.us
Dave Nordberg	Air Quality Planner	503-229-5519	nordberg.dave@deq.state.or.us
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