



Climate programs and the transportation sector

Bill Peters
Clean Fuels Program Lead

What we're aiming for

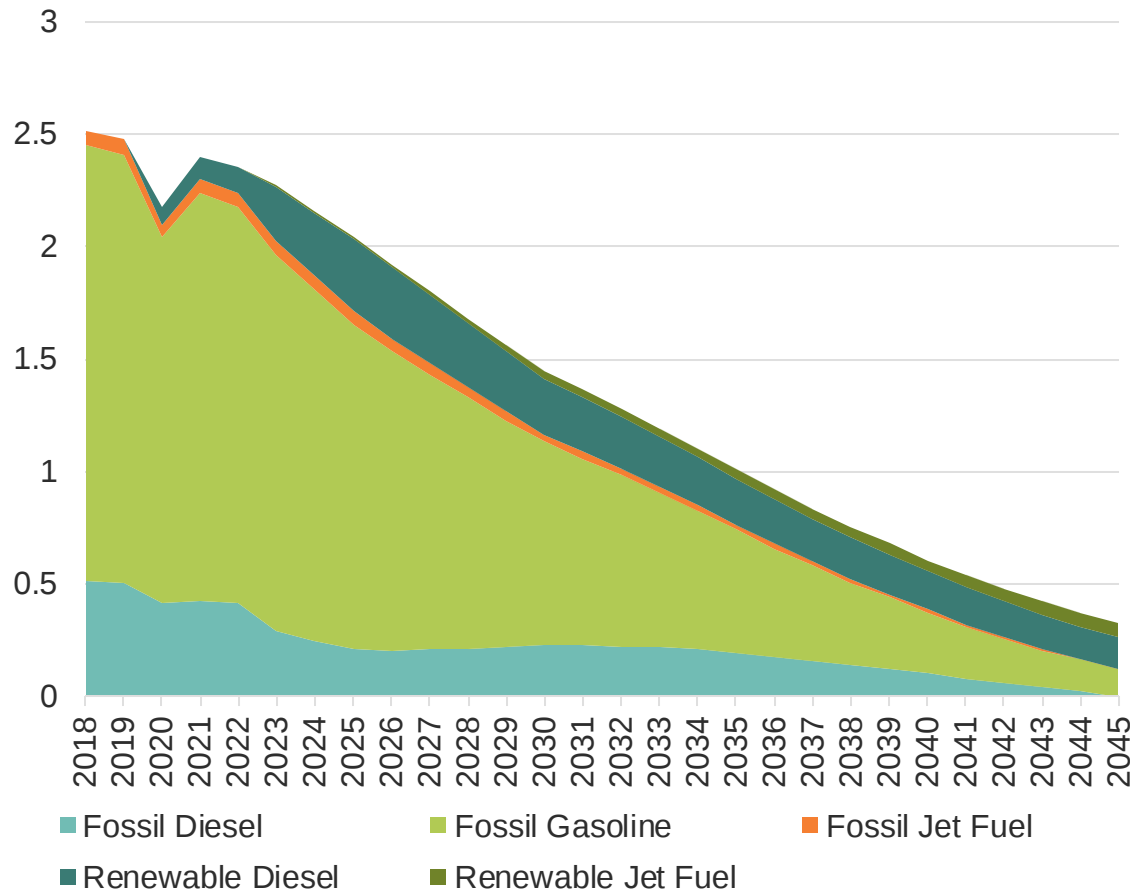
- The transportation sector is one of the largest sources of greenhouse gas emissions on the west coast
- Generally, states and provinces have adopted a multi-prong approach to reducing those emissions, focusing on cleaner vehicles, fuels, and where possible slowing the growth of vehicle miles and encouraging public transit
- For today, I'm focusing on the fuels and vehicles piece and how that affects the fuels that we use and the modes it's coming in

Vehicle Programs

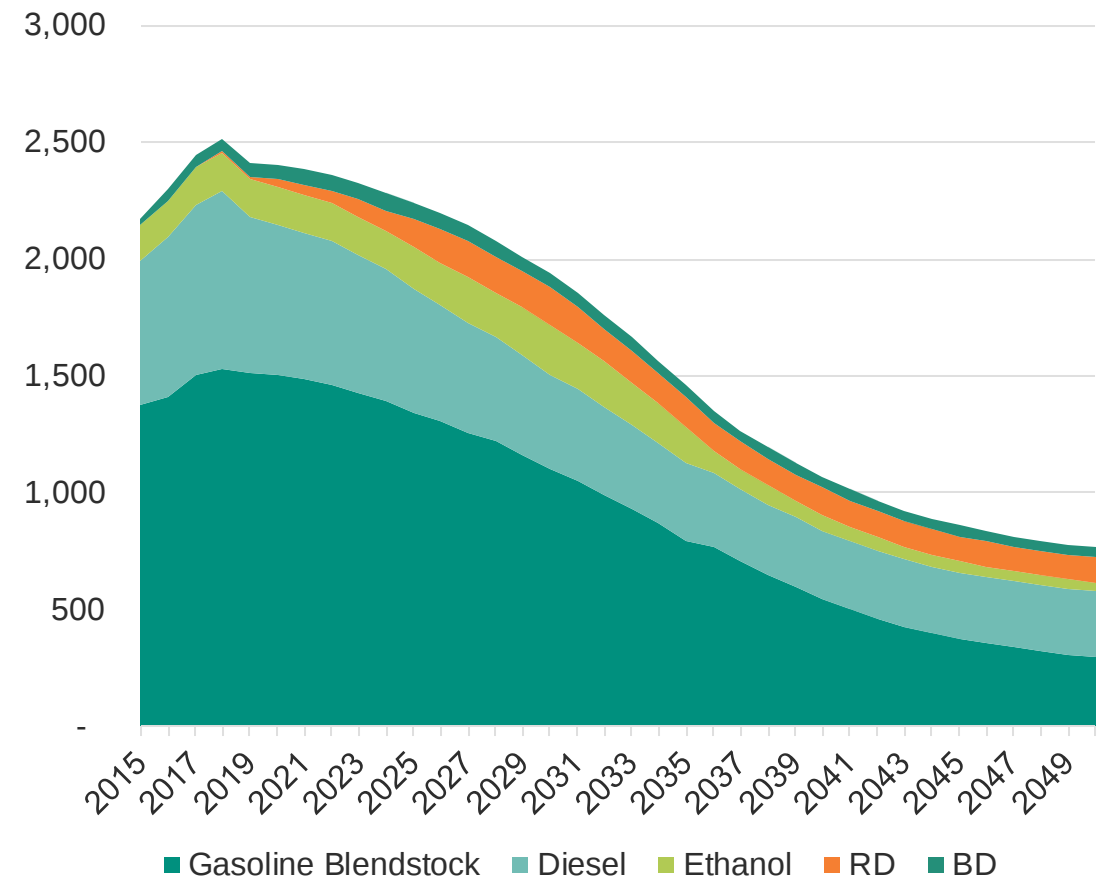
- Ongoing transition to EVs – new vehicle sales are up to 24% EV and PHEV in California, 23% in Washington, and 15% in Oregon in Q3 of this year (percentage slipped in Oregon after the rebate expired in Q2)
- Over time, this shift is lowering the amount of liquid fuels that we use, which is pressuring west coast refinery economics

Shift away from liquids

California (2022 Scoping Plan)



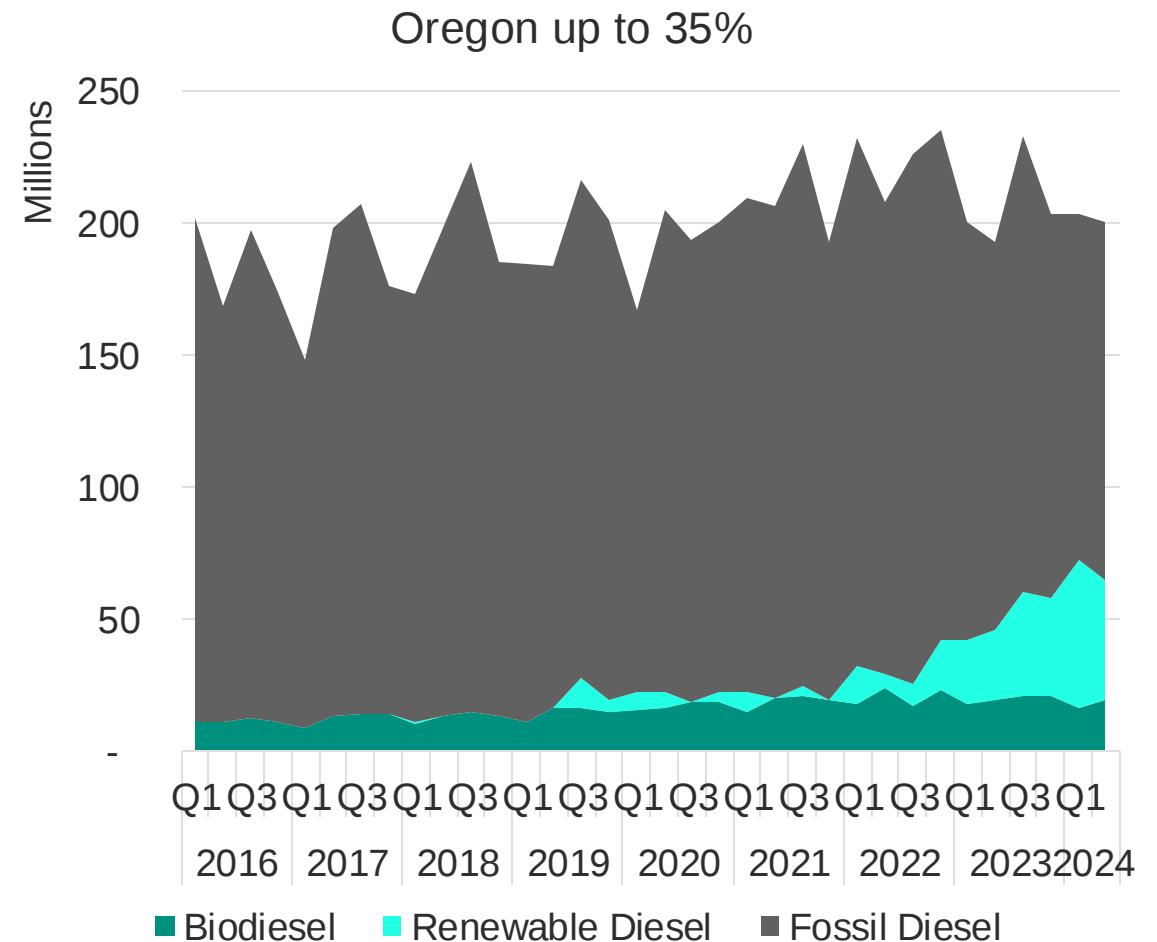
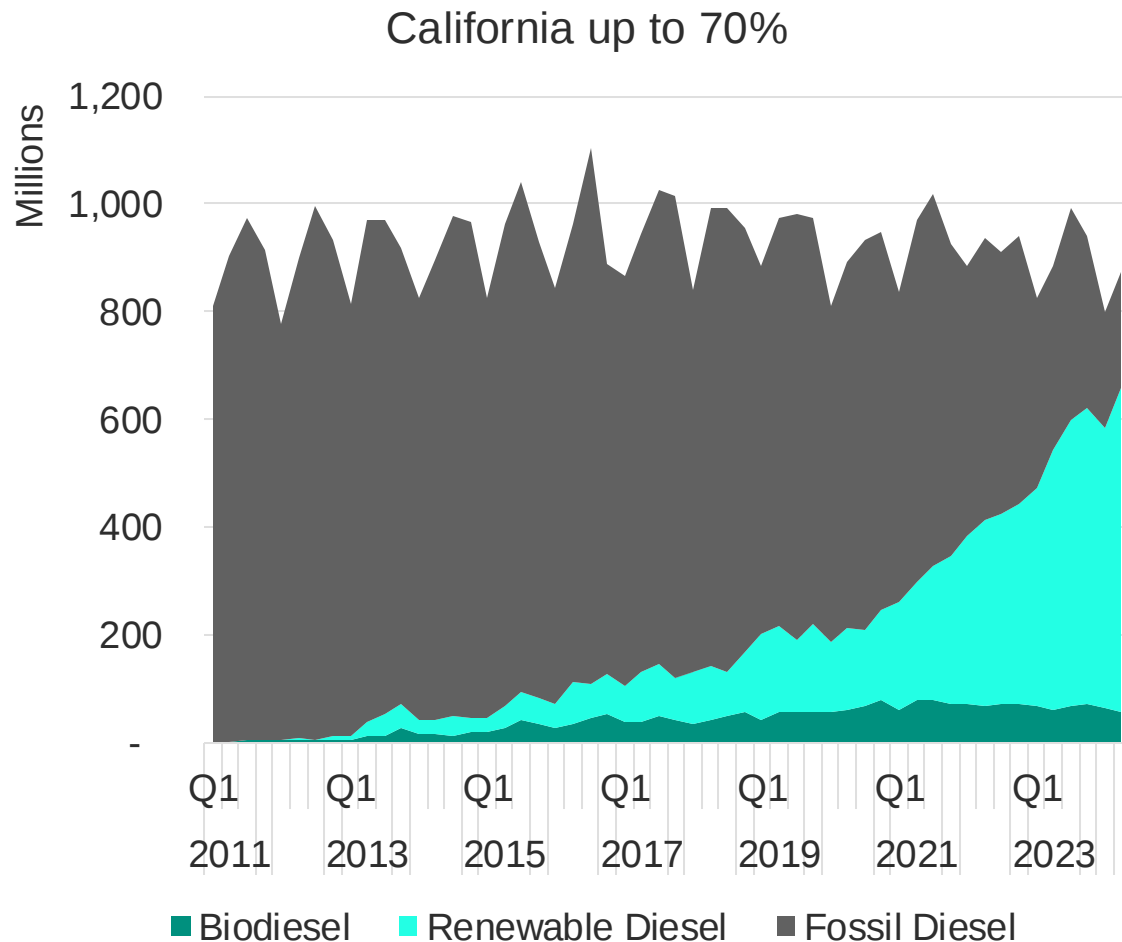
Oregon (2021 illustrative compliance scenario)



Clean Fuels Programs

- These programs require fuel suppliers to either directly transition to lower-carbon fuels (eg, co-processing renewable feedstocks at refineries or converting to those feedstocks) or supporting other low-carbon fuels
- Responsible for the shift in the diesel supplied to the west coast transitioning away from ULSD to biodiesel and increasingly renewable diesel

Shift to renewables in the diesel pool



WC Refineries at an inflection point

- Significant refinery conversions to renewable products (RD, renewable jet, renewable naphtha, renewable propane) in California and the mountain west and co-processing projects (BP Cherry Point, US Oil in Tacoma) at west coast refineries
- Some refineries closing (P66's LA refineries planned for closure in Q4 2025)
- Shift in logistics as more crude oil is replaced by renewable feedstocks (plant oils, tallow, used cooking oil), but also as renewable fuels move more by rail and barge than pipeline

Thank you!

Bill Peters

Clean Fuels Program Lead

bill.n.peters@deq.oregon.gov

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Contact: 800-452-4011 | TTY: 711 | deqinfo@deq.state.or.us