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OREGON CLEAN FUELS PROGRAM AT A GLANCE

IETA Business Brief

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EXECUTIVE SUMMARY

Oregon's Clean Fuels Program has operated since 2016 and requires annual reductions in transportation-fuel carbon intensity from a 2015 baseline. The program targets a 10% reduction by 2025, 20% by 2030 and 37% by 2035. Gasoline, diesel and their substitutes are regulated, while fuels including electricity, hydrogen, renewable natural gas and alternative jet fuel may opt in. In 2025, the program generated 2.51 million metric tonnes of credits and 3.28 million metric tonnes of deficits, with a cumulative credit bank of 0.61 million metric tonnes at year-end. The 2025 Credit Clearance Market price cap was $267.41 per credit.

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Years in Operation	Since 2016
Carbon Intensity (CI) Trajectory	CI reduction target increases annually from 2015 baseline, with a long-term goal of a 37% reduction by 2035. Interim goals are 10% by 2025 and 20% by 2030.
Regulated Fuels	Gasoline, diesel, and their substitutes (renewable diesel, biodiesel, ethanol). Mandatory for compliance.
Opt-In Fuels	Compressed Natural Gas (CNG), liquified Natural Gas (LNG), Liquified Petroleum Gas (LPG), renewable natural gas (RNG), propane & jet fuel, electricity, hydrogen, alternative jet fuel.
Exempt Fuels	Fuel used in: Aircrafts, Racing Activity Vehicles, Military tactical and support Vehicle and equipment, Locomotive, Watercraft, Farm vehicles, tractors, implements of husbandry, Motor trucks primary used to transport logs, Off-highway construction vehicles
Covered Entities	352 unique parties registered in the Oregon CFP as per latest information (As of September 2026)
Annual Report deadline	April 30th of every year
Penalties & Program Funding	The Credit Clearance Market (CCM) provides a clear pathway for regulated entities to achieve compliance with clean fuel standards when they are short on required credits. If a party still has deficits after the CCM, CFP will increase the deficits by 5% and include this amount in the regulated party's annual report for the following year.
Credits, Deficits & Bank	2.51 million MT credits were generated in 2025, and 3.28 million deficits incurred. The market is in surplus with a positive credit bank of 0.61 million MT by the end of 2025.
Credit Clearance Market	Price cap: $267.41 in 2025

Major Developments

The Oregon Department of Environmental Quality (DEQ), in their last regulatory update, made the CI trajectory more stringent with the reduction goals increasing from 30% in 2024 to 37% by 2035.
Some key developments in OR CFP are as follows:

1. In December 2025, the Oregon DEQ suspended the Charge Ahead Rebate program for new and used electric vehicles due to limited remaining funding. The program provided rebates of up to $7,500 for new EVs and $5,000 for used EVs to eligible low- and moderate-income households, accepted eligible vehicle purchases and leases through December 4, 2025. DEQ indicated that approved applications submitted after available funds are exhausted may be placed on a waiting list for payment in spring 2026. However, this was reopened on Aug 25, 2026, till Nov 4, 2026 based on strong demand and available funding.

2. In December 2025, the Zero-Emission Rebates for Oregon Fleets (ZERO Fleet) program was authorised by Oregon HB 3409 to support the purchase of zero-emission medium- and heavy-duty vehicles. The program is available to eligible businesses, nonprofit organisations, and public agencies operating in Oregon, with qualifying vehicles ranging from Class 2b through Class 8. Rebate amounts vary by vehicle weight class, from $2,500 for Class 2b to $120,000 for Class 8. Vehicles must be new, on DEQ's Eligible Vehicle List, purchased or leased through an eligible dealer, and registered in Oregon.

3. Oregon DEQ's 2026/27 CFP rulemaking is considering updates to support a 50% CI reduction target by 2040, with a strong focus on transportation electrification. The proposal suggests utilities to spend all residential credit revenue, currently worth $25-30 million annually, on transportation electrification, with larger utilities mandated to direct at least half toward direct consumer incentives such as vehicle rebates and home charging support, a portion of which must target low-income and underserved communities, and at least half spent within a year of receipt. DEQ also proposes updating the light-duty Energy Economy Ratio (EER) to 4.6 based on actual Oregon fleet data and is considering a time-limited five-year option allowing utilities offering EV rebates to calculate residential charging credits against the fixed gasoline baseline rather than the declining CI standard, significantly boosting credit generation and available incentive revenue. Additionally, a hybrid renewable electricity verification approach is proposed, retaining Green-e certification where available and introducing DEQ's Third Party Verification process for others alongside enhanced utility spending reporting aligned with California and Washington templates.

Market Performance & Pricing

Metric	Q1-Q4 2024	Q1-Q4 2025
Credits Generated	3.05 million MT	2.51 million MT
Deficits Generated	2.81 million MT	3.28 million MT
Cumulative Bank	1.38 million MT by Q4 2024	0.61 million MT by Q4 2025
Credit Price	In 2024, the average credit price was $79.35/MT.	In 2025, the average credit price reported was $68.72/MT.
Credit Generation by Pathway in % of Total	Renewable Diesel 46% Electricity ~15% Biomethane ~1% Ethanol ~20% Biodiesel ~17%	Renewable Diesel 36% Electricity ~18% Biomethane ~5% Ethanol ~24% Biodiesel ~15%

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