

Oregon Climate Action Plan

How the proposed cap-and-trade program will cover electricity

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Overview

Oregon's proposed "Climate Action Program" – aka cap-and-trade

Oregon's electricity landscape

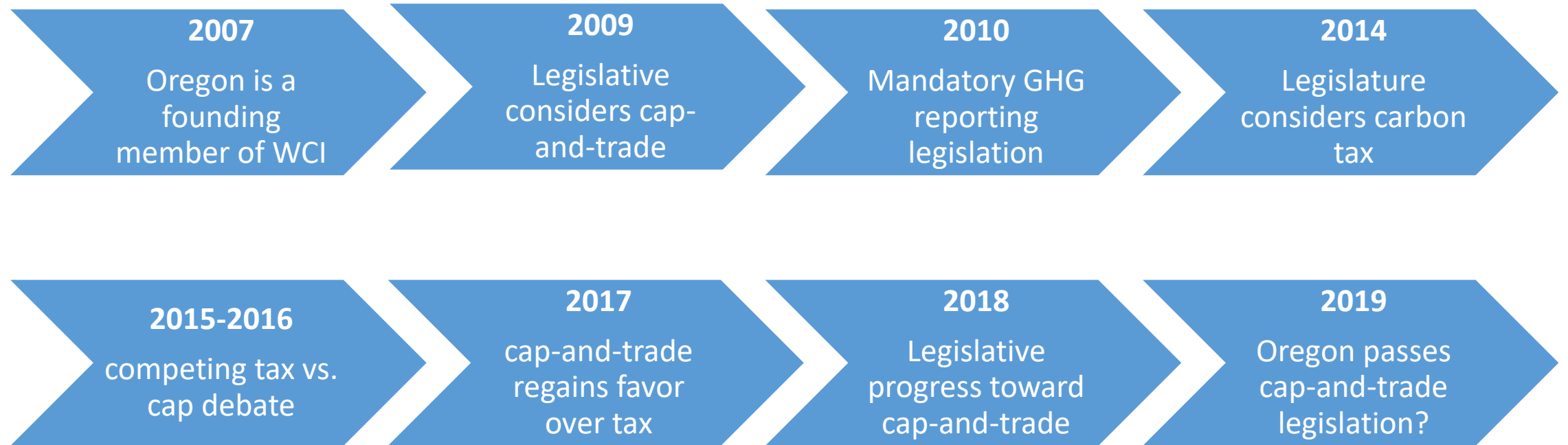
Legislative language on imported power

How is the EIM accounted for?

Oregon's proposed cap-and-trade program

- Proposed legislation: HB 2020
 - olis.leg.state.or.us/liz/2019R1/Downloads/MeasureDocument/HB2020/B-Engrossed
- Would begin in 2021
- GHG Targets:
 - 2035: 45% below 1990 baseline
 - 2050: 80% below 1990 baseline
- “Economy-wide” – about 80% of Oregon’s GHG emissions
 - Transportation fuels
 - Electricity
 - Natural gas
 - Other fossil fuels
 - Industrial processes

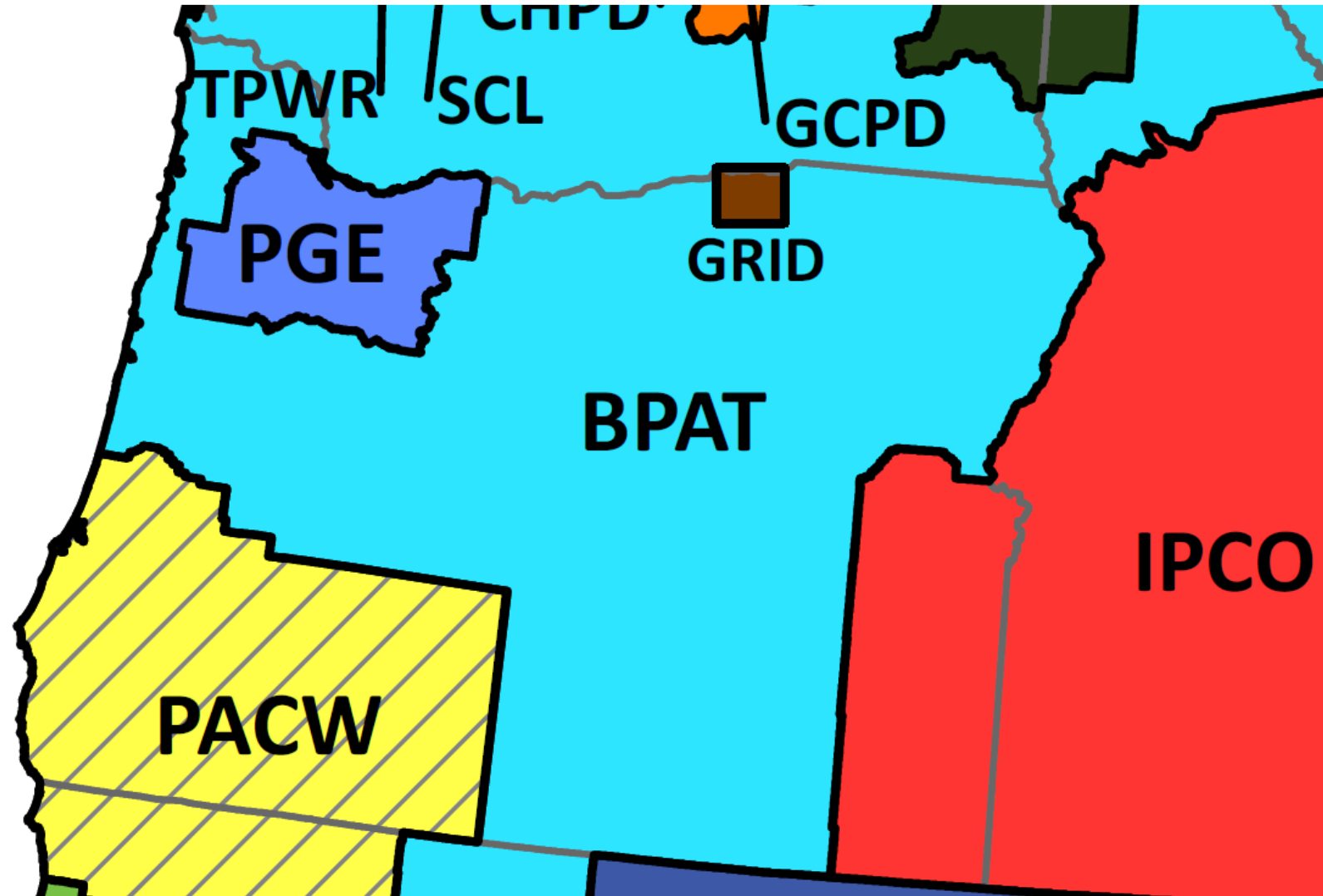
Background



Electricity: how best to regulate in Oregon?

- Electricity generated in Oregon: at the generator
- What about imported power?
- Desired attributes for point of regulation for imported power:
 - Comprehensive
 - Accurate
 - Efficient
 - Consistent

Oregon's balancing authorities



Point of regulation for imported power

An “electric system manager” for emissions from outside Oregon attributable to generation that the manager schedules for delivery and consumption in Oregon

Electric system managers are entities that operate or market electricity generation or purchase wholesale electricity to manage the load for wholesale or retail customers within a balancing authority at least partially located in Oregon

Who would this approach cover?

- Investor-owned utilities: managing balancing authorities (BAs) both in-state and multi-state
- Electricity Service Suppliers: scheduling power in IOU BAs for their direct-access customers
- Bonneville Power Administration: scheduling power for delivery to Oregon's consumer-owned utilities (COUs)
- Electric generation and transmission cooperatives and other entities that schedule non-BPA power in COU territories
- Other entities selling through the EIM?

Energy Imbalance Market

Oregon's HB 2020:

“the office may adopt rules as necessary to address electricity scheduled for delivery and consumption in this state through an energy imbalance market or other centralized market administered by a market operator”

Flexibility, if needed, for Oregon to adopt rules to handle the point of regulation for entities that sell power through the EIM into Oregon