

Oregon Department of **ENERGY**

Oregon's RPS, RECs,
and the CA EIM

Rebecca Smith
September 7, 2017



Outline

01

Oregon RPS
background

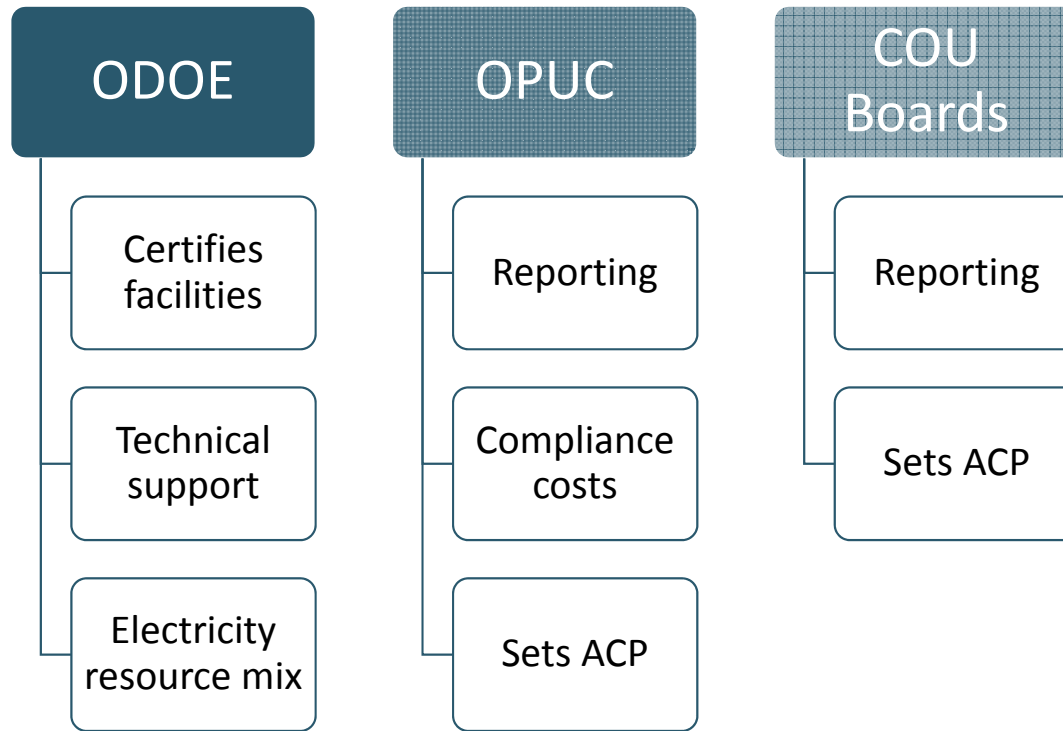
02

Discussion
history

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Next steps

Oregon RPS Administration



Oregon RPS + RECs

- May use both bundled and unbundled RECs for RPS compliance
- Bundled RECs must be from within the US boundaries of the WECC and delivered to:
 - BPA;
 - Transmission system of an electric utility; or
 - Another delivery point determined by an electric utility or an electric service supplier.
- Unbundled REC use is capped at 20% of annual compliance (IOUs)



Oregon RPS + RECs

OAR 330-160-0015 | Definitions

“Renewable Energy Certificate” (REC or Certificate) means a unique representation of the environmental, economic, and social benefits associated with the generation of electricity from renewable energy sources that produce Qualifying Electricity. One Certificate is created in association with the generation of one MegaWatt-hour (MWh) of Qualifying Electricity. While a Certificate is always directly associated with the generation of one MWh of electricity, transactions for Certificates may be conducted independently of transactions for the associated electricity.



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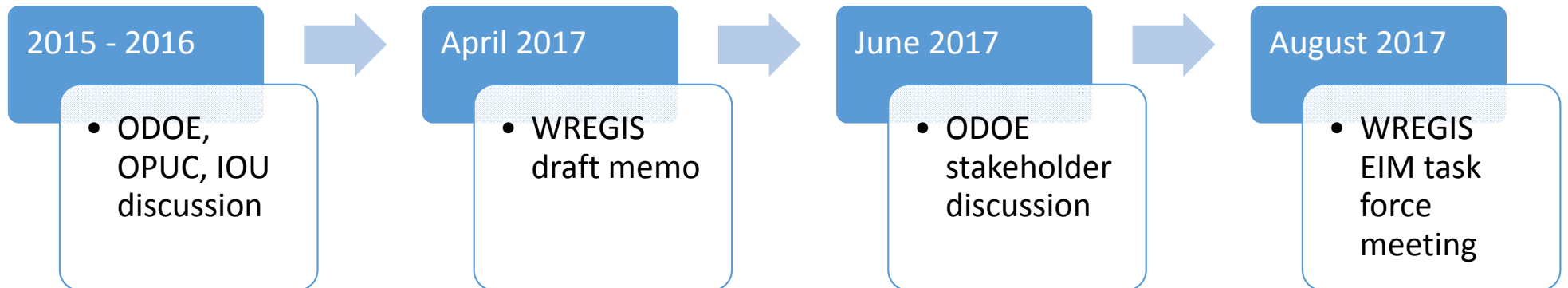
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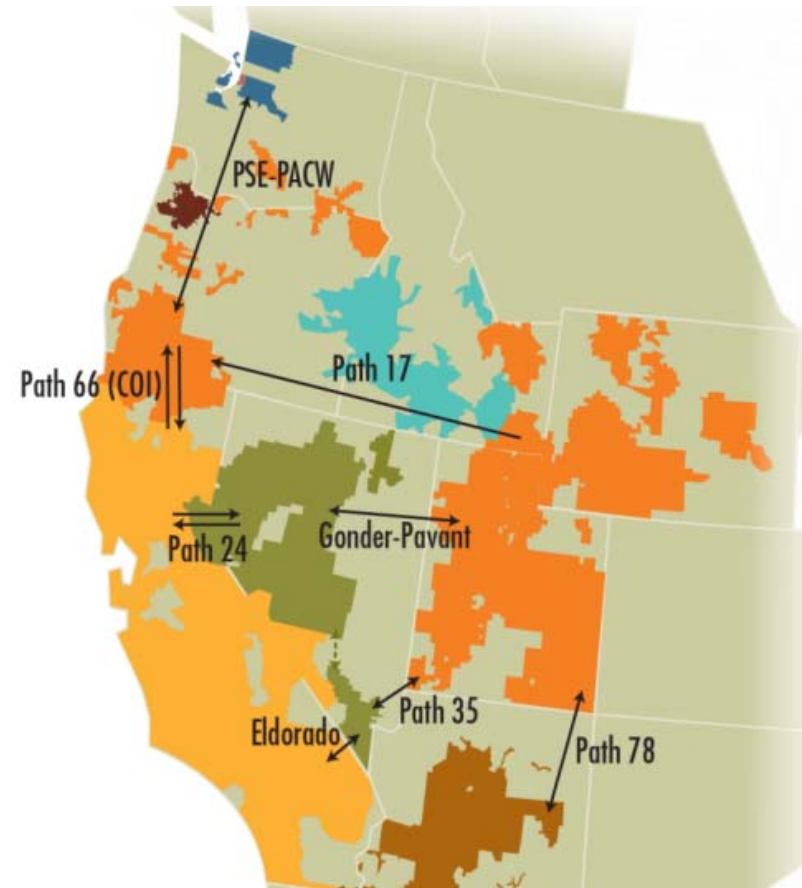


Oregon Discussion Thread...



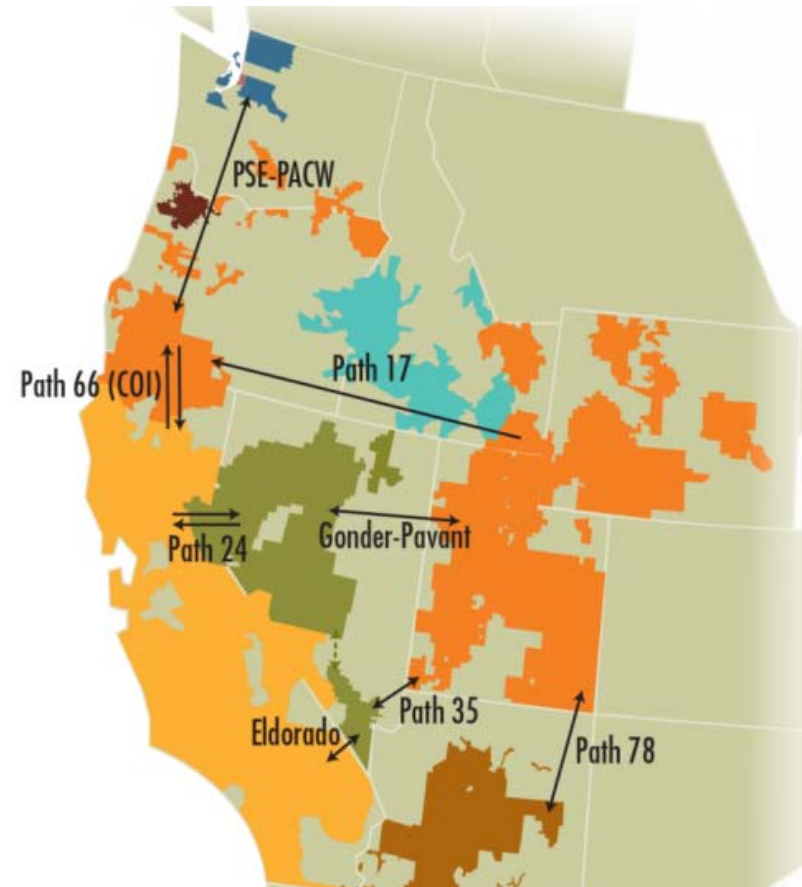
WREGIS Draft Memo – April 2017

Would RECs associated with an energy bid into the EIM need to be retired since the carbon attributes were considered used in the EIM under rules set by the California Independent System Operator (CAISO)?



WREGIS Draft Memo – April 2017

- All attributes of a REC as defined by the Operating Rules need to be intact for it to remain active within WREGIS.
- For carbon attributes being claimed by a buyer of the energy, the REC would need to be retired in WREGIS.
- WREGIS account holders bidding energy into the EIM should be prepared to retire the RECs associated with that energy. The RECs have been split and are no longer complete RECs as defined by the WREGIS Operating Rules.



Discussion at WREGIS of Draft Memo

- Stakeholder concern over WREGIS potentially picking winners and losers – suggestion to make memo more generic to cover different state interpretations/rules.
- Does a price difference between emitting and non-emitting sources essentially make a claim?
- WREGIS capability, data availability to mark RECs associated with imports into CA EIM?
 - Next steps
 - Comment period
 - Follow-up meeting in mid-September



Oregon Discussion re RECs and CA EIM

Scope of discussion limited to two questions:

1. Does the REC, by definition, include the direct emissions environmental benefits (i.e. the emissions factor)?
2. Does the assignment of a zero-emissions factor to renewable energy imported into California via the EIM constitute a claim on the RECs associated with that renewable energy?

Oregon Discussion re RECs and CA EIM

Resources provided to guide discussion

- REC and environmental attribute definitions
 - ODOE administrative rules
 - WREGIS Operating Rules
 - CPUC code
- CEC RPS Eligibility Guidebook
- CRS – direct versus indirect emissions and RECs
- World Resources Institute GHG Protocol Scope 2 Guidance
- Council on Environmental Quality Federal GHG Accounting and Reporting Guidance



ODOE received comments from...

- Avangrid Renewables
- CAISO
- California Air Resources Board
- California Energy Commission
- California Public Utilities Commission
- Center for Resource Solutions
- Clatskanie People's Utility District
- Community Renewable Energy Assoc.
- GHG Management Institute
- Ovus Partners 360
- PacifiCorp
- Portland General Electric
- Renewable Northwest
- Western Power Trading Forum



Commonalities in Comments Received

- **The ayes**
 - Direct emissions, or emissions factor, clearly included in definition of REC
 - RECs from CA EIM used in other states represent double counting
- **The nays**
 - “Environmental attributes” not a useful or meaningful term
 - Assigning an emissions factor is not a claim
 - WREGIS should not take “unilateral” action
- **Both sides**
 - ODOE should collaborate with other state agencies and regional stakeholders to determine cooperative solutions
 - May find value of participation in EIM outweighs concerns over double counting in this particular instance



- Difference between direct and indirect emissions
- Difference between reporting of an emissions factor and the assignment of an emissions factor
- Better clarity on how CAISO, CARB treat imported energy with respect to assignment of emissions factors, etc.
- How the various GHG adder bids work
- Whether WREGIS can provide a tracking option for RECs associated with CA EIM imports

Areas for follow up,
based on comments



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The Oregon Discussion: Next Steps

- Continue participation in the WREGIS discussion
- Seek additional information on questions, present to stakeholders for further discussion
- Widen discussion to include agencies from other WECC states, etc. to discuss harmonization of RPS and other policies as reasonable and possible
- ODOE provide rule interpretation
- Depending on interpretation, may warrant follow-up discussion
 - If ODOE finds that the RECs in question are eligible for the Oregon RPS, there may not be any need for follow-up
 - If ODOE finds that the RECs in question are *not* eligible for the Oregon RPS, it will lead a follow-up discussion on the value of EIM participation and the potential for policies that would support/encourage participation





Questions + Comments

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