



June 10, 2022

Zach Baker
Oregon Public Utility Commission (OPUC)
201 High St. SE, Suite 100
Salem, OR 97301-3398

RE: DOCKET UM 2225: COMMENTS OF CENTER FOR RESOURCE SOLUTIONS IN RESPONSE TO THE CLEAN ENERGY PLAN INVESTIGATION ROADMAP ACKNOWLEDGEMENT QUESTIONNAIRE

Dear Mr. Baker,

CRS appreciates this opportunity to submit responses to selected questions in the May 20, 2022 UM 2225 Clean Energy Plan (CEP) Investigation Roadmap Acknowledgement Questionnaire. Please find responses to Questions 3 and 4 below.

BACKGROUND ON CRS AND THE GREEN-E® PROGRAM

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS provides technical guidance to policymakers and regulators at different levels on renewable energy policy design, accounting, tracking and verification, market interactions, and consumer protection. CRS also administers the Green-e® programs. For over 20 years, Green-e® has been the leading independent certification for voluntary renewable electricity products in North America. In 2020, Green-e® certified retail sales of over 90 million megawatt-hours (MWh), serving over 1.4 million retail purchasers of Green-e® certified renewable energy, including over 104,000 businesses.¹

RESPONSES TO SELECTED QUESTIONS

Question 3: How should compliance and continual progress be demonstrated and assessed?

1. Demonstrations of compliance and continual progress may need to include demonstration that qualifying generation and purchases from renewable resources will include the associated

¹ See the 2021 (2020 Data) Green-e® Verification Report here for more information: <https://resource-solutions.org/g2021/>.

renewable energy certificates (RECs), i.e. that associated RECs will be retained on behalf of the electric company's Oregon customers and not otherwise sold to a different electric company in Oregon, sold out of state, or used for sales to customers outside of Oregon.

To demonstrate projected compliance with emissions reduction targets, CEPs should include, among other things, information about the ownership or sale of RECs associated with generation from renewable resources that is included in CEP and ultimately used for compliance under this program.

If HB 2021 creates targets and compliance for greenhouse gas (GHG) emissions associated with electricity delivered to retail consumers in Oregon, then ownership and retirement of the RECs associated with generation from renewable resources included in CEPs and used for compliance on behalf of retail customers in Oregon is necessary to prevent double counting of this generation.

HB 2021 includes conflicting language referencing attributes, retail sales, and end-use retail customers, affecting whether retirement of RECs is necessary to prevent double counting of generation from renewable resources.² Regardless, "electricity shall have the emission attributes of the underlying generating resource"³ may require ownership and retirement of associated RECs, as defined in Oregon,⁴ to prevent double counting of those attributes.

Where electric companies report that they are selling or supplying Oregon customers with zero-emissions electricity from renewable sources without the REC, the REC may be sold and used to verify delivery of the same generation to different customers and potentially a different state, as zero-emissions generation, renewable generation, or both. Double counting can occur in any other state where RECs can be used, in the voluntary market for renewable energy, or within Oregon wherever RECs are used to report delivered renewable energy to customers, e.g. the Renewable Portfolio Standard (RPS) program.

This would affect the integrity of Oregon RECs and the ability to transact Oregon RECs outside of Oregon generally, as well as the historical practice among Oregon utilities of selling RECs that are not used for the Oregon RPS program.

² Section 3(2) of HB 2021 states that, "Nothing in sections 1 to 15 of this 2021 Act may be construed as establishing a standard that requires a retail electricity provider to track electricity to end use retail customers." On the other hand, several sections, including Sections 1(1), 2(1), 5(3), 5(4), 8(3), 8(4)(a), refer to electricity sold or delivered to retail consumers. Section 7 refers to "attributes," which are commonly included in state and tracking system REC definitions. There are similar conflicts in ORS 468A.280 statute and implementation, referred to throughout the bill and the basis for accounting under the new standard. ORS 468A.280(4)(a), the controlling statute for DEQ's GHG reporting program, refers to electricity sold to retail customers in Oregon: "for electricity that is purchased, imported, sold, allocated or distributed for use in this state by an electric company." But DEQ's program does not currently require RECs to report the emissions from renewable energy. ORS 468A.280 is also used to calculate utility-specific emissions factors for electricity delivered to electric vehicle load in the Oregon Clean Fuels Program.

³ Sec. 7 of HB 2021.

⁴ See OR. ADMIN. R. § 330-160-0015 (16). Also see Western Electricity Coordinating Council, WREGIS Operating Rules (Jan 4, 2021). Section 2, pg. 10, 13. <https://www.wecc.org/Administrative/WREGIS%20Operating%20Rules%202021-Final.pdf>

Requiring RECs for qualifying generation and purchases from renewable resources to prevent double counting would not “[establish] a standard that requires a retail electricity provider to track electricity to end use retail customers” in violation of Sec. 3(2) of HB 2021. Neither would it necessarily affect requirements under ORS 468A.280.

“Actions” in CEPs will unequivocally not “facilitate rapid reduction of greenhouse gas emissions”⁵ if those actions include double counting. Generation and purchases of renewable energy that are double counted do not represent “progress”⁶. Both compliance and progress toward meeting the clean energy targets in that case would in fact represent an artifact of flawed accounting.

2. The Department of Environmental Quality’s (DEQ’s) verification of the projected GHG emissions forecasted in a CEP, for this program and not necessarily for DEQ’s GHG reporting program⁷, may need to include verifying that qualifying generation and purchases from renewable resources include the associated RECs, i.e. that associated RECs will be retained on behalf of the electric company’s Oregon customers and not otherwise sold to a different electric company in Oregon, sold out of state, or used for sales to customers outside of Oregon.

Question 4: How do you envision Commission acknowledgement of the Clean Energy Plan/annual goals for actions?

The Commission’s acknowledgement of a CEP may need to include establishing that qualifying generation and purchases from renewable resources will include the associated RECs, i.e. that associated RECs will be retained on behalf of the electric company’s Oregon customers and not otherwise sold to a different electric company in Oregon, sold out of state, or used for sales to customers outside of Oregon.

This is material to the requirement that a CEP be “in the public interest,”⁸ and to whether clean energy targets are met with unique generation and purchases or those that have been double counted, as explained in our response to Question 3 above. There are “risks to the customers”⁹ if delivered generation has been double counted, in that customers will not in fact be exclusively receiving nonemitting generation and its environmental benefits as intended under the law. “Other relevant factors as determined by the commission”¹⁰ should also include double counting. Finally, a requirement for REC ownership and retention is relevant to “any reduction of greenhouse gas emissions that is

⁵ Sec. 4(6) of HB 2021.

⁶ Sec. 4(4)(e) and 4(6) of HB 2021.

⁷ See ORS 468A.280.

⁸ Sec. 5(2) of HB 2021.

⁹ Sec. 5(2)(e) of HB 2021.

¹⁰ Sec. 5(2)(f) of HB 2021.

expected through the plan, and any related environmental or health benefits,"¹¹ since plans will not produce expected GHG emissions and environmental outcomes if there is double counting.

Please let me know if we can provide any further information or answer any other questions.

Sincerely,

_____/s/____

Todd Jones

Director, Policy

¹¹ Sec. 5(2)(a) of HB 2021.