Oregon Clean Fuels Program

Electric Utilities and the Clean Fuels Program

The purpose of this factsheet is to provide guidance on what an electric utility needs to do to participate in the Clean Fuels Program. Electricity is a lower carbon fuel and the use of it as a transportation fuel can generate credits in the Clean Fuels Program (CFP).

Registering as a Credit Generator

An electric utility may register in the Clean Fuels Program to generate credits for EV chargers that they own and for residential EVs in their utility service area. DEQ has developed a <u>registration form</u> for credit generators including electric utilities. Download the form and email the completed form to <u>OregonCleanFuels@deq.state.or.us</u>.

Section 1 of the form is the contact information for the utility.

For Section 2 of the form:

- Check the electricity box.
- For EV chargers that are owned by the utility, provide the number of EV chargers and an estimate of annual electricity provided by those chargers. This information may be based on the prior year's consumption data. This in order to get a general idea of credit generation potential).
- Check the box to register for a utility-specific carbon intensity value (see additional clarification below).

DEQ will review the registration application and may contact you for clarification or additional information. Once the application is deemed complete, DEQ must approve an application within 14 days, though on average approval times have been much shorter.

Residential EV Credits

In order to determine the number of residential EV credits available to a utility or credit aggregator from residential EV charging, DEQ uses the following information:

- 1. The number of EVs registered in a utility's service area, using vehicle registration data that DEQ receives from DMV;
- 2. An estimate of the amount of electricity used per EV, derived from direct and non-direct metered data. This is based on similar methodology <u>used in</u> California's Low Carbon Fuel Standard program or from academic studies; and
- 3. The carbon intensity of the electricity in your utility area, either the statewide average or a utility-specific average.

On an annual basis, DEQ will calculate the number of residential EV credits generated and deposit the credits in the CFP Online System account of the utility. Thus, a utility seeking to receive CFP credits associated with residential EV charging in their service territory need only submit the registration form to participate in the program.



Oregon Clean Fuels Program

700 NE Multnomah Suite #600 Portland, OR 97232

Phone: 503-229-5696 800-452-4011 Fax: 503-229-5850 <u>OregonCleanFuels@de</u> q.state.or.us

www.oregon.gov/DEQ

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Non-Residential EV Credits

In order to determine the number of non-residential (e.g. public chargers, workplace, fleets) EV credits, the utility must document the actual amount of electricity dispensed by each charger. If a direct meter is not available, alternative estimation methodology may be considered.

Utility-specific Carbon Intensity Values

Utilities that are regulated by the Public Utility Commission must use the carbon intensity (CI) value associated with an Oregon statewide average electricity mix. However, non-PUC-regulated utilities have the option of using the statewide average or developing a utility-specific CI.

The simplest way to calculate this is to use the information that a utility already submits to DEQ's GHG Reporting program. If a utility checks this box on the registration form, then DEQ will calculate their CI from that data. The utility will have the opportunity to review the proposed CI before DEQ approves it for use in the CFP Online System.

If a utility wishes to propose an alternate CI, then DEQ will work with the utility to determine the appropriate methodology and documentation it needs to calculate its CI.

Reporting Requirements

Once the registration is approved, DEQ will send a link to the CFP Online System, which is the reporting tool for the program. The utility will need to register as a user in the system in order to create their account.

For public and workplace EV chargers that are owned by the utility, the utility is required to submit quarterly reports on how much electricity has been dispensed by those chargers. There are no quarterly reporting requirements for residential EVs in your utility service area. Instead, credits for residential EV charging are awarded to a utility's account by DEQ on an annual basis.

Managing and Selling Credits

You can see how many credits are in your account by clicking the "Credit Balance" tab in the CFP Online System. As you look to buy or sell credits, you can go to the "Buy/Sell Board" tab to find potential counterparties. In order to get an idea about the market rate for credits, DEQ publishes a monthly credit transaction report which includes the average price of credits if there are more than 3 trades in that month.

Once both parties agree on how many credits they will trade at a given price, a credit transaction form needs to be completed, approved, signed and submitted to DEQ via the CFP Online System to transfer the credits. When DEQ processes the form and posts the transfer, the credits are moved from one account to another.

The money is transferred privately between the two parties; DEQ is not involved in that aspect of the transaction. DEQ does not place any limitations on what the revenue derived from the sale of credits can be used for. In the case of investor-owned utilities, the PUC maintains oversight of the revenue.



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Credit Aggregators

If the credit generator does not want to manage their credits themselves, they can designate a credit aggregator to act on their behalf. Examples of credit aggregators could be a trade or membership association, a non-governmental agency, a pure third party private company or consultant, or another credit generator. The credit generator will have to complete a credit aggregator designation form in order for the credit aggregator to register as a user in the CFP Online System and take over management of those credits.

Accessibility

Documents can be provided upon request in an alternate format for individuals with disabilities or in a language other than English for people with limited English skills. To request a document in another format or language, call DEQ in Portland at 503-229-5696, or toll-free in Oregon at 1-800-452-4011, ext. 5696; or email deginfo@deq.state.or.us.



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