

Clean Fuels Program Electricity 2021 Rulemaking

Meeting Summary

Rulemaking Advisory Committee Meeting #1

Sept. 24, 2020

Web-based meeting



State of Oregon
Department of
Environmental
Quality

List of attendees

Rulemaking Advisory Committee Members		
First Name	Last Name	Affiliation
Greg	Alderson	State Environmental Policy & Government Affairs, Portland General Electric
David	Breen	Senior Manager Air Quality, Port of Portland
Eva	DeCesaro	Senior Product Manager, PacifiCorp
Andrew	Dick	State Government Affairs & Public Policy Manager, Electrify America
Annabel	Drayton	Policy Associate, NW Energy Coalition
Jana	Gastellum	Deputy Director Oregon Environmental Council
Mike	Goetz	General Counsel, Citizens Utility Board
Michael	Graham	Director of Policy & Communications, Columbia Willamette Clean Cities Coalition
Stu	Green	Climate & Energy Analyst, City of Ashland
Erick	Karlen	Policy Advisor Greenlots
Thad	Kurowski	National Credit Trading & Intermountain, West State Policy Lead Tesla
Rhett	Lawrence	Policy Manager, Forth
Evan	Neyland	Clean Fuels Manager, ChargePoint
Victoria	Paykar	Transportation Policy Manager Climate Solutions
Danelle	Romain	Partner, Oregon PUD Association & Oregon Fuels Association
John	Thornton	President, CleanFuture Inc.
Kelsey	Wilson	Substitute for: Tiffany Roberts, VP Regulatory Affairs Western States Petroleum Association

Clean Fuels Program

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Meeting Agenda

Time	Topic
9 a.m.	Welcome, introductions, agenda review
9:15 a.m.	Walk through discussion paper
10:30 a.m.	Break
10:45 a.m.	Walk through discussion paper (cont'd)
11:45 a.m.	Opportunity for Public Comment
Noon	Adjourn meeting

- Discussion paper provided previous to the meeting for consideration of participants

General Process Questions

- Is there chance for public comments before the EQC?
 - Yes, comes during the notice of proposed rulemaking period. Written comments are accepted and will have a public comment period hosted by agency. The EQC will not host a public hearing for this rulemaking.
- Guiding principles: Does best use of available science does this include accuracy of data related to credit generation and if the variety of mechanisms are being considered for use? Such as collecting telematics data.
 - Agency has interest in telematics as an option for including in data.

Incremental Credits Questions

- Why not do on quarterly basis to be consistent with reporting schedule?
 - DMV registration currently gets delivered on a monthly basis but there is additional analysis that DEQ needs to do to calculate credit generation. We need to balance that additional work again whether the utilities will want those credits that frequently.
- In original rulemaking, there was no direction to COUs that become aggregators for residential credits on how to spend the revenue. They have their own governing boards. They would not like to tie COUs into tight constraints of what money should be spent on – they should not be treated like the IOUs. They do not want to stifle innovation and adaptability by COUs by being overly prescriptive.
 - DEQ is still looking at how to design the sideboards on this provision. It could differ based on the entity that is generating the credits.
- Important to structure features so that we stick to goals of the Clean Fuels Program.
- Could this include lowering intensity through RECs and book and claim accounting?
 - Yes.
- Goal for fuel service equipment purchasers and installers is to ensure they can use money to cover those costs of installation.
- For entities with a national footprint, it's important to have oversight that the value of credit generation is reinvested back into Oregon and furthering the goals of transportation electrification.

- Agrees about maintaining local spending control for COUs; however, it would be useful to have some direction about spending priorities, especially those that reinforce CFP goals. As a municipal utility, there is a risk of clean fuel revenue getting appropriated for NON transportation/electrification purposes.

Encouraging New Types of Electric Vehicles Questions

- Suggestion to add electric airport ground support equipment.
 - We'll look into it. It might be within the cargo handling equipment category or perhaps a new one.
- If it is adopted in California, would that streamline the process in Oregon? Or would they have to go through full process.
 - We have a streamlined process for those that have pathways in CA.
- If a fleet of eCHE with different types with different EERs – how would that be tracked? Do they need to track charge by equipment type? Higher level is easier for application to apply for EER.
 - DEQ could give a general EER for eCHE or could go all the way to model years and vehicle types and make report individually or something in between. We will look at multiple specific EERs to see how they differ across all the equipment types and then balance the options.
 - Reporting will have to be done per EER.
- Why do we need to adjust EER in relation to CI and why it would be necessary to adjust EER related to the CI?
 - This is for the equipment that does not have an EER. Adjustment would be done up front to issue a FPC for the vehicle type.
- Supports opportunity to do this outside of rulemaking cycle but would like it kept to vehicle level and not at the OEM or model level.
- Supports having the process in between rulemakings because technology is moving forward rapidly
- Administratively streamlined as possible but if there is a very broad range within category, may need to have some model specific EERs.
- This already occurs in some of the categories and may be necessary in others.

Lowering Carbon Intensity of Electricity as Transportation Fuel Questions

- Utility specific mixes: should we begin to adjust the statewide mix to remove the utilities associated with those utility specific mixes?
- Hydropower should be included if we are going for carbon reduction
 - Hydropower is currently included in the statewide mix.
- Does the change to single year only apply to statewide mix? Torn on this one, can understand issues with lag time. Would not be so quick to say that it wouldn't have implications for utilities that depend on hydropower. Statewide mix probably won't vary much but those mixes dependent on hydropower would. Will include more discussion in written comments.
 - We don't think this would not affect the utility specific CI as much as the statewide mix.
- If a specific entity is going to claim a specific carbon intensity that is much cleaner than statewide mix, the general principle would be to remove the utility specific CIs from the statewide mix.

- Going from statewide mix to a zero carbon intensity only boosts credit generation by 30% when you consider the EER.
- Boardman can be removed pretty easily but we would want to see rigor put to analyze what effect it could have on credit generation. We need to look at scenarios around consecutive bad hydro years to see what the effect would be. Electric utilities may be able to provide some data.
 - We do want data from electricity utilities – please bring this up in that breakout session and share any thoughts have on how consecutive bad hydro year analysis.
- Want to recognize that total amount of credits generated would be lowered based on updating the statewide mix by removing the utility specific mix and that is opposite of what the executive order is trying to do to encourage more credit generation.

Renewable Electricity Generation Questions

- How could COUs that use clean hydro benefit from this approach?
 - COUs already benefit from the opt-in CIs for near zero carbon hydro base. Those COUs already generate more credits than one charging in a higher CI territory.
 - DEQ could approve biogas to electricity pathways, we would be having negative CIs and provide additional benefits to COUs.
- Supportive of bringing RECs into this program and that CA has set up a framework to allow for the retirement of them to be additional to any other use of the REC.
- Timeframe question: In California, you can go back 3 quarters. How does that work in OR? Are we concerned about any issue with securing RECs given a shorter time frame?
 - Looking to RAC members or others to give comments about how the time frame would affect the availability of RECs and their price.
- There is opportunity to create more demand but concern that a very broad allowance for RECs that are unbundled and from around the country would not result in meaningful carbon reductions for OR. In addition, if RECs are purchased by certain utilities and then that utilities electricity is sold down to CA market that could result in double counting because it is not identified in cap and trade as something to account for in its framework.
 - Please submit comments on this topic.
- Supports lifecycle assessments for biomass-based fuels for consistency between liquid fuels and other fuel types.
- Don't see any reason to limit eligibility for non-carbon emitting electricity source. Thinks it is incongruous with goals of CFP to limit these.
 - Ex: EWEB is developing resources to offer to customers, including bundled and unbundled RECs, will try and come up with 100% carbon free product for customers from a mixture of renewable energies.
 - Hydropower brings a lot of characteristics to renewable portfolio and need investment in aging hydro infrastructure to help us reach our goals.
 - Understand need for documentation. RECs are not only way to find these.
- Seconding comments to not limit what types of electricity that can be used in program. Ex: biogas to utility charging so that benefits can be maximized. Also supports comments that non zero to negative CI should be subject to full lifecycle review. Pointing to CA that those CIs at a 0 – do not have to go through full Tier 2 review.
- Generally supports broader parameters with fewer restrictions. Technology neutral to other resources in program.

- If we allow RECs would we use WREGIS or another accounting software to ensure there is not double counting?
- Regarding RECs – wants to strike a balance to not be overly restrictive but to allow credits to flow into Oregon. IOUs work to only allow green-e certified and/or having a third party to verify.

Residential Charging and Non-Residential Charging Questions

- If automaker had priority to for generating credits, how would that ensure it was benefiting Oregon?
 - Sideboards around automakers and how their revenue is used as discussed earlier.
- Could it be on basis of green tariff for utilities? Or REC only option?
 - Electric utilities may know this answer better but participating in green tariff is a customer decision and that does not give mechanism to enroll customers who have EV in green tariff for those utilities. For customers not in green tariff they could retire RECs on their behalf.
- Consider green tariffs for municipalities – may be administratively easier to loop that into the program if move towards municipalities instead of individual customer basis.
- Backstop aggregator should be considered as being able to generate incremental credits.
 - Consider for written comments and breakouts: would backstop aggregator be able to claim all the incremental credits and no one else could claim them for residential charging or should the individual opted in entities be able to earn the credits for the EVs that are in their areas?

Advancing Credits Questions

- Wanted to point out that this is quite different from what CARB has implemented – advanced credits are only offered if there are not enough credits in the market to comply with regulation. Also, normally the electricity supplier is usually the one that generates credits, the charging stations or utilities not fleets can get the credits.
 - An exception in Oregon is that DEQ allows transit agencies to claim credits for fixed light rail, street car, and electric buses, not the FSE.
- This concept could be a very helpful mechanism to help pay for upfront costs of this type of infrastructure. The market participant needs to be acting toward community benefit. Make sure that Tribes are included in this group. Eligible fuels should be those with a pathway to zero emissions. For transit and other entities should prioritize the use of the vehicles for the most impacted or frontline communities.
 - We are looking to some of the policies that some of our sister agencies are working on to ensure transit is positioned to most help frontline communities.
- Is there a point at which too many credits could flood the market?
 - Theoretically, yes the credits could flood the market but we do have some estimates and how the credits are shifting in time and how the concepts would be crafted because the amount of credits generated in the future is going to fall as the standard changes so we will need to build up credits now.
- Seconding comment regarding that market participant needs to be acting to community benefit especially when considering private fleets participation in advanced credits and if they are serving a public benefit particularly in communities burdened by higher levels of air pollution.

- There are many opportunities with this provision of advancing credits. Private fleets should be considered. There could be a buffer pool of credits, etc. established to address worries about what credit are received by what entity and what happens with a private versus a public fleet.
- Its important to find more money for developing programs, need to really examine how to do this and investigate any issues through workshops, etc. that could come up to reduce issues that would impact credit generation (i.e., a pandemic).
- Location based incentives to tying to impacted communities because there have been issues in CA, should look into those and be mindful of the issues that come up when making decisions based on impacted communities.

Public Comments

None

Roster of all Zoom participants

First Name	Last Name	Affiliation
Alec	Shiebel	Umatilla Electric Company
Alisa	Kasewater	BPA
Ashley	Beaty	BTR Energy
Becca	Teigen	SRECTrade, Inc
Ben	Conte	Exergy Energy
Bill	Peters	DEQ
Bill	Harris	OLCV, MCAT
Blake	Wojcik	RPMG
Cassandra	Jackson	Roseburg Forest Products
Chloe	Brown	DEQ
Chris	Kroeker	NW Natural
Colin	McConnaha	DEQ
Cory-Ann	Wind	DEQ
Daniel	Frye	OLCV, MCAT
Dustin	Watson	Washington Dept of Ecology
Elise	Miller	Collaborative on Health and the Environment
Eric	Shierman	Public Utilities Commission
Evan	Ramsey	Bonneville Environmental Foundation
Gina	Giles	Wilcox & Flegel Oil Co
Greg	Martin	LWVOR
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Ian	Hill	Sequential/Crimson
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Jeff	Kessler	
Jennifer	Joly	OMEU
Jessica	Hoffman	RPMG
Jessica	Reichers	ODOE
Jessica	Zahnow	PacifiCorp
Jillian	Safian	Lion Electric Company
Jim	Lemon	BTR Energy
Jodie	Binger	
Joel	Creswell	Puget Sound CAA
John	Perona	MCAT
Jon	Costantino	Tradesman Advisors
Jordan	Bice	Oxley & Associates
Julie	Sutton	Clean Energy Associates
Julie	Witcover	UC Davis
Julien	Dion	Renewable and Structured Products
Kei	Reitz	PBF Energy Western Region
Kendra	Seymour	Stillwater Associates
Kylie	Grunow	
Lauren	Slawsky	DEQ
Lekha	Sridhar	WattTime
Marc	Monbouquette	Enel North America
Marc	Ventura	Phillips 66
Marcie	Hundis	PacifiCorp
Marissa	Bach	Shell
Mark	Bunch	BP
Mary	Brazell	ODOT
Matt	Herman	BIO
Matt	Solak	Pacific Propane Gas Association
Matthew	Espie	DEQ
Maya	Kelty	3Degrees
Megan	Boutwell	Stillwater Associates
Michael	Lemon	BTR Energy
Michael	Maten	
Mike	Freese	Oregon Fuels Association and Oregon People's Utility District Association
Miles	Pengilly	Thorn Run Partners
Nicole	Singh	DEQ
Nora	Apter	Oregon Environmental Council
Peter	Weisberg	3 Degrees
Ryan	Kenny	Clean Energy Associates
Sabrina	Oudin	
Sam	Wade	Coalition for Renewable Natural Gas

Sarah	Buckwater	
Sean	Grimes	Exergy Energy
Stephanie	Summers	DEQ
Steven	Eisenberg	SRECTrade, Inc
Stevenson	Giles	Eco Energy
Thomas	Elzinga	Consumers Power
Tom	McBartlett	City of Ashland
Tracy	Farwell	Engineers for Sustainable Future
Tracy	Richardson	Springfield Utility Board
Tyler	Ernst	
Tyler	Petersen	

Alternative formats

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