



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD
POWER RESOURCE DIVISION

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TO: Oregon Department of Environmental Quality, Clean Fuels Program
FROM: Marciana Hill, Energy Resource Analyst
DATE: April 22, 2022
SUBJECT: Clean Fuels Credits Revenue Spending Report

Issue

In accordance with OAR 340-253-0640, the Oregon Department of Environmental Quality (DEQ) implemented an annual reporting requirement for utilities that obtain revenue from the sale of clean fuel credits. As a result, all electric utilities that receive base or incremental clean fuels credits must, on an annual basis, report the following:

- the total revenue from the sale of base and incremental credits,
- the percentage of the Clean Fuels Program (CFP) related administrative costs,
- a description of the programs that were funded by CFP revenue from the sale of base credits, and
- a description of the programs that were funded by CFP revenue from the sale of incremental credits.

In response to this obligation, EWEB staff have prepared and plan to submit this memo.

In summary, for 2021 EWEB generated a total revenue of \$263,450 from the sale of clean fuel credits. Of the total revenue generated, 3.73 percent was spent on administrative overhead and \$119,121 was used to fund vehicle electrification programs. EWEB did not participate in the generation or sale of incremental credits.

Background

The Clean Fuels Program (CFP) is one of Oregon's strategies for addressing the state's contribution to global climate change. The program was developed in 2016 and can be summarized as follows:

1. Renewable forms of diesel, natural gas, propane, and electricity have arisen as commercially viable and cost-effective alternatives to fossil fuel.
2. The advancements in biofuels and electricity are mitigating tailpipe pollution including carbon monoxide, nitrogen oxides, and particulate matter, subsequently improving the public health of individuals residing in the state. This is imperative for Oregon's historically marginalized communities that are located near major transportation corridors, multimodal facilities, and distribution hubs.
3. The program has adopted a market where investments are being made to increase the production and use of lower-carbon fuels, spark innovative technology, and make advancements in infrastructure to distribute these fuels across the state.

Oregon Clean Fuels Program Revenue Spending

OAR 340-253-0640 subsection (9a)

EWEB's CFP spending budget is based on the revenue generated from the sales of fuel credits in the prior calendar year. The following information represents EWEB's total credit revenue generated in 2020 from the sale of fuel credits attributable to electric vehicle charging. In 2020, EWEB sold a total of 2,395 clean fuel credits at the price of \$121 per credit, for a total revenue of \$263,450.

OAR 340-253-0640 subsection (9b)

Subsection 9b requires EWEB to report the percent of clean fuels revenue spent on administrative costs related to participation in the CFP. To determine CFP-related administrative costs, staff assumed average, loaded staff costs at \$72.34 per hour. Table 1, below, illustrates the departments that oversee CFP-related projects and their estimated staff costs.

Table 1 Administrative Hours and Staff Cost

Department	Hours	Total Cost
Customer Solutions	76	\$5,498
Power Planning	45	\$3,255
Finance	10	\$723
Policy and Governance	5	\$362
Total	136	\$9,838

The resulting percentage when taking the ratio of the CFP-related administrative costs by the CFP revenue is 3.73%.

OAR 340-253-0640 subsection (9c)

Subsection 9c requires a description of the programs that were funded with CFP revenue received by EWEB. Table 2, below, includes a brief description of the programs funded in 2021. Total related program expenses were \$119,121, which is less than the total revenue generated for 2020. The gap in spending was due to a prolonged program approval process, which is now resolved. Unused CFP revenue generated in 2021 will be carried over to 2022.

Table 2 Program Description Funded by Clean Fuels Credit Revenue

Description	Expense
Public/Fleet EWEB L2 EVSE Upgrade Installations - Public cost to charge is \$0.00/kWh	\$810
Residential L2 EVSE - \$500 Incentive	\$86,112
Commercial L2 EVSE - \$1,500 Incentive	\$11,500
Commercial DCFC EVSE - \$15,000 Multi-Port Incentive	\$15,000
Tour of Homes L2 EVSE - Incentive Varies	\$699
rEV Up - Monthly EV Education Classes - Available to All Lane County	\$5,000
Total Expenses	\$119,121

OAR 340-253-0640 subsection (9d)

Subsection 9d requires a description of the programs that were backed by CFP revenue EWEB received from the sale of incremental credits and the amount spent in each type in the former year. For 2021, EWEB did not participate in the generation and sale of incremental credits.

Conclusion

EWEB generated a total of \$263,450 from the sale of clean fuel credits. The percentage of the administrative overhead was 3.73%. \$119,121 in revenue generated from the sale of base credits was used to fund education classes, grants, and rebates. EWEB does not participate in the generation or sale of incremental credits.

Recommendation

None – Information Only