

Asset-Controlling Suppliers

Instructions for applying for designation

Overview

Electricity entities seeking asset-controlling supplier, or ACS, designation must be approved through the Oregon Department of Environmental Quality, as prescribed by <u>OAR 340-215-0120</u>. This document provides additional guidance on requirements for entities that are seeking ACS designation from or renewing designation with DEQ. Entities applying for ACS designation should review the greenhouse gas reporting rules to identify additional applicable elements of the reporting program.

Applicability

An ACS is an entity that owns or operates inter-connected electricity generating facilities or has exclusive rights to claim electricity from these facilities even though they do not own them, and who has been designated by DEQ as an asset-controlling supplier.

Note that all electricity suppliers that import, sell, allocate or distribute electricity to end users in Oregon are subject to <u>Oregon's greenhouse gas reporting rules</u>. If applicable, electricity supplies must also report greenhouse gas emission data using the relevant reporting rules and protocols.

Deadlines

Electricity entities seeking ACS designation, or renewing designation, must submit an ACS application with required data elements annually to DEQ. This includes submitting emission data from the previous calendar year (Jan. 1 to Dec. 31), by June 1 of the following year. For example, emission data from Jan. 1, 2023 to Dec. 31, 2023 will be due June 1, 2024.

Application protocols

Oregon rules require entities seeking ACS designation to report annually the megawatt-hours (MWh) and greenhouse gas emissions from electricity generated, purchased and sold across their power system, both inside and outside of Oregon, for the previous emissions calendar year. This includes information on power generated at facilities the ACS owns, wholesale electricity purchased and taken from specified sources, purchases from unspecified sources, and sales from specified sources.





To apply for approval to become an Oregon ACS, do the following:

- 1. Notify the Oregon DEQ Greenhouse Gas Reporting Program by emailing GHGReport@deq.oregon.gov so that we can set up your ability to report in the system.
- 2. Create an account on Your DEQ Online.
- 3. Download and complete the Asset-Controlling Supplier Application.
- 4. Fill out the Specified Source Registration form for all resources in your system mix.

Note: An ACS approved by the California Air Resources Board may submit their California workbook FOUR to DEQ in place of the described supporting documentation provided it includes all information listed.

5. Upload the completed Asset-Controlling Supplier application, Specified Source Registration, and supporting documentation into YDO and submit them through the system.

Reporting protocols

Oregon rules require a consumer-owned utility distributing electricity to end users in Oregon, or third-party reporting on behalf of a consumer-owned utility, submit an emissions data report annually. Reports must include greenhouse gas emissions for both electricity generated at facilities owned or operated by the utility and electricity purchased from sellers, including BPA purchases and unspecified purchases. Utilities, or third-party entities, must report using DEQ's tools and processes described below.

For both unspecified and specified sources of power, report the megawatt-hours (MWh) of electricity generated or purchased served to end users in Oregon for the previous emissions calendar year. If applicable, proportionally adjust all resources on an annual basis to account for the sale of power to the wholesale market.

Emissions from specified power:

"Specified source of electricity" means a facility or unit which is allowed to be claimed as the source of electricity delivered.

- **Generated power:** Report power as generated from a specified source when the electricity supplier is (1) a full or partial owner or operator of the generating facility or unit, (2) party to a power contract for a fixed percentage of generation from the facility or unit, or (3) party to a tolling agreement and rents a facility or unit from the owner, or is an exclusive power deliverer that is not a retail provider and that has prevailing rights to claim electricity from the specified source.
- **Purchased specified power:** Report power as purchased from a specified source when the electricity supplier can provide documentation that a power contract designated purchases from a specific generating power facility, unit, or DEQ-approved asset-controlling supplier at the time the transaction was executed. A power source cannot be retroactively designated after a transaction occurs.

700 NE Multnomah Street, Suite 600, Portland, Oregon 97230 Phone: 503-229-5696, Toll Free in Oregon: 800-452-4011

Reporting requirements for specified power:

- If power is purchased or generated from specified sources, report the MWh of electricity disaggregated by facility or unit, and by fuel type or ACS, as measured at the busbar. Utilities must use a two percent transmission loss correction factor when reporting electricity not measured at the busbar of the generating facility.
- Annually, DEQ will assign facility-specific or unit-specific emission factors for all registered specified sources by dividing the emissions (MTCO2e) by the net generation (MWh) from a specified facility or unit for the most recent year data is available. See "Specified Source Registration" for specified facility or unit registration details.
- Emissions from specified sources are calculated by multiplying the MWh served to end users in Oregon by the DEQ assigned facility or unit specific emission factor, and by transmission loss factor, where applicable.

Emissions from unspecified power

"Unspecified source of electricity" means a source of electricity that is not a specified source at the time of entry into the transaction to procure the electricity.

Reporting requirements for unspecified power

- Utilities must report the MWhs provided to end users in Oregon from any unspecified power source.
- Electricity imported, sold, allocated or distributed to end users in this state through an energy imbalance market or other centralized market administered by a market operator is considered to be an unspecified source. Separately identify the MWh for power purchased from these markets from other unspecified sources.
- The default emission factor for calculating emissions from unspecified power is 0.428 MTCO2e/MWh.
- Emissions from unspecified sources are calculated by multiplying the MWh served to end users in Oregon by default emission factor for unspecified power, and by transmission loss factor, where applicable.

ACS emission factors

The ACS factor is equal to the sum of total system emissions (MT CO2e) divided by the sum of total system net generation (MWh) for the prior emissions calendar? year. This calculation includes electricity served both inside and outside of Oregon. ACS system emission factors are calculated using equation OAR 340-215-0120(6)(b).

DEQ annually publishes approved ACS emission factors for use by electricity suppliers reporting greenhouse gas emissions from specified sources. To accommodate reporting and verification requirements, the published ACS emission factor is based on data reported two years prior. That is, an emission factor reported by an ACS for emissions data year 2021 would be available for use in data year 2023 (reported in 2024).

A document tabulating approved ACS emission factors is available in the <u>Asset Controlling Supplier Emission</u> Factors document on DEQ's website.

How to submit materials

Entities applying for ACS designation should notify DEQ via email at GHGReport@deq.oregon.gov at least thirty days in advance of the reporting deadline. This ensures sufficient time to register and receive access to Your DEQ Online and to complete the application form.

Applicants must complete and upload the ACS application form and required supplemental attachments to <u>Your DEQ Online</u> by the deadline. In the event you cannot submit your application through Your DEQ Online, download and complete the <u>Asset-Controlling Supplier Application</u> and submit it, along with all supporting documents, to <u>GHGReport@deg.oregon.gov</u>.

Revision requirements

If an ACS entity identifies an error in a submission, or is notified of such an error, the entity must submit a revision to correct the error within 45 days of discovery via email to GHGReport@deq.oregon.gov.

Recordkeeping requirements

An entity DEQ designates as an ACS must retain documentation to confirm that the power the supplier sells originated from the supplier's fleet of facilities and either that the fleet is under the supplier's operational control or that the supplier has exclusive rights to market electricity for the fleet or facility. Documentation must be made available for verification upon request.

All electricity suppliers must retain DEQ greenhouse gas emission reporting records and any applicable materials as required by EPA's 40 C.F.R part 98 for at least five years. Records retained must be sufficient to document and allow for verification of emissions data reported to DEQ and any later revisions. Note that electricity suppliers subject to third-party-verification rules will be required to retain records for at least seven years, beginning with data for the 2021 reporting year.

Third-party verification

For the initial application and each year following, third-party verification is required for each ACS. ACSs may submit their California Air Resources Board ACS verification statement in place of an Oregon-specific verification statement if the verified emissions data report includes the same data and information submitted to DEQ. The deadline for ACSs is Sept. 30 of each year.

Contact information

Michael Bernstein
GHG Reporting Specialist
GHGReport@deq.oregon.gov

Non-discrimination statement

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