



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD
POWER RESOURCE DIVISION

Rely on us.

TO: Oregon Department of Environmental Quality, Clean Fuels Program

FROM: Marciana Rosales, Energy Resource Analyst

DATE: April 22, 2023

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 2022 EWEB generated a total revenue of \$1,038,200 from the sale of clean fuel credits. Of the total revenue generated, 5.20 percent was spent on administrative overhead and \$587,638 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 2021 from the sale of fuel credits attributable to electric vehicle charging. In 2021, EWEB sold a total of 8,600 clean fuel credits at an average price of \$121 per credit, for a total revenue of \$1,038,200.

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 \$70.51 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

Administrative Hours and Staff Cost		
Department	Hours	Total Costs
Customer Solutions	797	\$ 56,196.47
Power Planning	15	\$ 1,057.65
Finance	15	\$ 1,057.65
Policy and Governance	0	\$ -
Total Expenses	827	\$ 58,311.77

The resulting percentage when taking the ratio of the CFP-related administrative costs by the CFP revenue is 5.20%.

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 2022. Total related program expenses were \$587,638, which is less than the total revenue generated for 2021. The gap in spending was due to a prolonged program approval process, which is now resolved. Unused CFP revenue generated in 2022 will be carried over to 2023.

Table 2 Program Description Funded by Clean Fuels Credit Revenue

2022 EWEB Transportation Electrification Programs	
Description	Expense
E-Mobility Community Grants - Up to \$25,000	\$ 97,065
EV Challenge Grant (Bethel, Eugene 4J, and Springfield School Districts) - Grant varies	\$ 9,804
Residential EVSE Rebates (L2) - Up to \$500 Incentive	\$ 110,261
Commercial EVSE Rebates (L2) - Up to \$1,500 Incentive	\$ 4,500
Commercial EVSE Rebates (L2) - Affordable Housing - Up to \$2,000 Incentive	\$ 2,000
Electric Bicycle Rebates - Up to \$300 Incentive	\$ 291,300
Electric Car Guest Drive Test Drive Events	\$ 44,000
GoForth Car Share - City Wide	\$ 13,655
GoForth Car Share - Affordable Housing	\$ 13,655
Tour of Homes EVSE Rebates (L2) - Up to \$700 incentive	\$ 1,398
Total Expenses	\$ 587,638

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 2022, EWEB did not participate in the generation and sale of incremental credits.

Conclusion

EWEB generated a total of \$1,038,200 from the sale of clean fuel credits. The percentage of the administrative overhead was 5.20%. \$587,638 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