



Oregon Clean Fuels Program

Incremental Credits and the Incremental Aggregator

Implementing the Clean Fuels Program Electricity 2021 Rulemaking

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Background

The Clean Fuels Program wants to expand the use of zero-carbon electricity to charge electric vehicles. One way to do this is through the retirement of renewable energy certificates. By retiring RECs, “incremental credits” are generated in the CFP. Incremental credits are calculated off the difference between the carbon intensity of the statewide grid mix or utility-specific mix and the zero-carbon claim. Incremental credits are separate from “base credits” which are calculated off the difference between the gasoline or diesel standard and the carbon intensity of the statewide electric grid mix or utility-specific mix.

Who can generate the credits?

This chart shows who can generate the electricity credits in the Clean Fuels Program:

Types of Charging	Base Credits	Incremental Credits
Public, workplaces, fleets, and multi-unit dwellings	Owner or operator of the charger	Owner or operator of the charger
Transit vehicles	Transit agency	Transit agency
Forklifts, transportation refrigeration units, cargo handling equipment, ocean-going vessel shorepower	Owner/operator/service provider	Owner/operator/service provider
Residential	Electric utility	Electric utility
	Backstop Aggregator	Incremental Aggregator

For non-residential charging such as in the public, at workplaces and for fleets, and at multi-unit dwellings, the EV charger owner or operator can generate the credits. For transit vehicles like electric buses, fixed light rail, street car, and aerial tram, the transit agency can generate the credits. For medium- and heavy-duty off-road vehicles like forklifts, transportation refrigeration units, cargo handling equipment, and ocean-going vessel shorepower, the owner or operator or service provider of the vehicle can generate the credits. In these cases, both the base and incremental credits can be generated by the same entity.

For residential charging, the electric utility can opt in to generate the base and/or the incremental credits. If the utility does not generate them then they flow to a third-party aggregator. In the case of the base credits, they go to a Backstop Aggregator and in the case of the incremental credits, they go to an Incremental Aggregator. In addition to the residential credits, the Incremental Aggregator will also be allowed to generate incremental credits for any non-

residential charging that are not generated. For example, if the owner of a public charger does not generate the incremental credits, the Incremental Aggregator will be allowed to.

Backstop Aggregator

The Backstop Aggregator is required to sell the base credits, develop and implement programs and projects to encourage electrification, and submit an annual report and financial audit of their activities. The Backstop Aggregator was selected through a public solicitation process and the Forth Mobility Fund was selected. DEQ has worked with FMF for the past three years to invest more than \$2 million in programs to expand statewide consumer outreach, engage utilities on the benefits of electric vehicles, and implement pilot projects in targeted areas of the state.

Incremental Aggregator

The Incremental Aggregator will be required to purchase and retire RECs, sell the incremental credits, develop and implement programs and projects to encourage electrification, and submit an annual report and financial audit of their activities. The Incremental Aggregator will be selected through a public solicitation process mirroring the one used to identify the Backstop Aggregator.

What is unique about the Incremental Aggregator is that the revenue from the sale of the incremental credits must be used to equitably distribute benefits and address the needs and interests of environmental justice communities that are the most vulnerable to the adverse effects of air pollution and climate change. In CFP, environmental justice communities are defined as communities of color, communities experiencing lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including but not limited to seniors, youth and persons with disabilities.

Alternate formats

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