



Oregon Department of Environmental Quality

# Renewable Natural Gas Reporting Using a Book and Claim Accounting Methodology and M-RETS

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## Background

As part of the Clean Fuels Program's 2022 rulemaking, renewable natural gas producers, fuel pathway holders, and reporting entities have new requirements starting Jan. 1, 2023.

To ensure accurate reporting, a book and claim accounting methodology is used, which involves tracking RNG's injection, sales, and use through the use of Renewable Thermal Certificates. These certificates are required to be managed through the [M-RETS Renewable Thermal tracking system](#)<sup>1</sup>. This new requirement aims to enhance reporting accuracy, establish safeguards against double claiming of RNG environmental attributes, and mitigate for the risk of fraud.

Book and claim is an accounting methodology that involves separating the environmental attributes of an energy source, such as RNG or renewable electricity, from the physical molecules when mixed in a common transportation and distribution system. The owner then assigns these detached attributes to the same form and quantity of energy when used. This methodology aims to promote the development of renewable and low-carbon energy sources without requiring additional physical infrastructure to transport the energy.

Additionally, to prevent potential double-counting or double-claims on RNG supplies as a transportation fuel in the Clean Fuels Program, the rules now mandate that RNG producers and fuel pathway holders establish contractual arrangements that specify those claims. According to OAR 340-253-0670(14), for any fuel pathway where biomethane is injected into a natural gas common carrier pipeline and reported using book and claim accounting, the fuel pathway holder, fuel producer, or both must ensure that no other party can claim the specific attributes of the biomethane used in the program. If the biomethane is injected into the pipeline of a local distribution company, the fuel producer must have an agreement with that company, as well as any other purchaser of the physical gas, stating that they will not make any claims on the biomethane reported through book and claim in the program. This agreement must be submitted along with the fuel pathway application or in the next annual fuel pathway report if the fuel pathway is currently certified.

## Renewable Thermal Certificates generation and retirement requirements and instructions

Starting from the first quarter report of 2023, RNG reported using the book and claim methodology in the Clean Fuels Program must be supported by certificate retirement records. The certificates must be generated from the RNG fuel production facility for the claimed pathway.

The RNG producer and the reporting entity must be registered in the M-RETS Renewable Thermal Tracking system and enrolled in the Clean Fuels Program within that tracking system. Once registered in the tracking system, the producer and the reporting entity must notify the program via email at [OregonCleanFuels@DEQ.Oregon.gov](mailto:OregonCleanFuels@DEQ.Oregon.gov). You will be granted access to the program within the M-RETS tracking system. This will enable you to generate and retire certificates within M-RETS.

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<sup>1</sup> <https://www.mrets.org/m-rets-renewable-thermal-tracking-system/>

### Translation or other formats

[Español](#) | [한국어](#) | [繁體中文](#) | [Русский](#) | [Tiếng Việt](#) | [العربية](#)  
800-452-4011 | TTY: 711 | [deqinfo@deq.oregon.gov](mailto:deqinfo@deq.oregon.gov)

For questions regarding generator registration and issuance of certificates, please refer to M-RETS' documentation<sup>2</sup> and contact their staff.

## **To retire Renewable Thermal Certificates, follow these steps:**

1. Create a retirement account in the M-RETS Thermal Tracking System and select the Clean Fuels Program as the retirement account's designation. The retirement account should be named according to the reporting period and the fuel pathway code for which the certificates are being retired. For example, if you are reporting in the second quarter of 2023 for the fuel pathway code ORRNG001, the retirement account should be named "Q2 2023 ORRNG001".
2. When retiring the certificates, select the appropriate fuel pathway code in M-RETS' carbon pathway field.
3. Certificates must be retired using the compliance reason for their retirement, and the type of compliance retirement must be either "LCFS/RFS Stacked Claim" or "Low Carbon Fuel Standard."
4. Retire enough certificates to cover the amount of RNG fully claimed in the Clean Fuels Program.
  - a. Remember that certificates are denominated in dekatherms, while the program reports are in therms.
  - b. Also, reporting parties must round up when retiring certificates in cases where the amount of RNG being claimed does not equal a whole number of dekatherms.
5. Submit PDF copies of the retirement records as supplemental documentation with the same quarterly report for which the volume of RNG is being claimed. Note that the two-quarter rule remains unchanged, and certificates must be for gas injected in the current or prior quarter for which the RNG is being claimed as being used in the program.

## **For fuel producers and fuel pathway holders, submit the following with your Annual Fuel Pathway Report :**

1. When a different party owns the renewable electricity, biomethane, or other qualifying low-CI input sources, the unredacted contract and invoices that the fuel pathway holder used to obtain the environmental attributes must be submitted during the application process.
  - a. Any changes to these contracts must be provided within 15 days of their occurrence.
  - b. These contract agreements will be reviewed as part of the report review process and are subject to third-party verification if applicable.
2. Retirement records for the certificates from M-RETS or another renewable thermal tracking system recognized by DEQ must be provided.

Note: Using an electronic tracking system is mandatory, and attestation is not acceptable.

3. Records of the specific volume of biomethane that is claimed to be used as a feedstock for the fuel production process must show that it has been injected into the pipeline during the current or prior quarter while the fuel is being produced.

Note: Biomethane can only be claimed as a feedstock for CNG, LNG, L-CNG, or hydrogen production in a fuel pathway application and cannot be claimed as an energy source for any other fuel production process.

## **Non-discrimination statement**

DEQ does not discriminate on the basis of race, color, national origin, disability, age or sex in administration of its programs or activities. Visit DEQ's [Civil Rights and Environmental Justice page](#).

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<sup>2</sup> See documents under the [renewable thermal heading on the M-RETS website](#).