



Oregon Clean Fuels Program

Retiring Renewable Energy Certificates

Implementing the Clean Fuels Program Electricity 2021 Rulemaking

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This guidance document details how entities must document incremental credit claims using Renewable Electricity Certificates (RECs). RECs are contractual instruments that convey the right to claim the environmental attributes of renewable electricity to the holder.

Background

The Clean Fuels Program targets reductions in the carbon emitted by Oregonians as they move themselves and goods throughout the state. The program has targeted carbon intensity improvement in the majority of the fuels used in the state, and in the CFP Electricity 2021 rulemaking we extended the program to reward the deployment of additional low- and zero-carbon electricity onto the grid in order to meet the increasing demand from electric vehicles.

One of the main concepts introduced in this rulemaking is that **base** credits are credits generated by the reduction in the carbon intensity of fuels by comparing the gasoline or diesel standard to the carbon intensity of electricity. **Incremental** credits come from further lowering the carbon intensity of electricity, and comparing the statewide or utility specific mix with the carbon intensity of renewable electricity. Retiring RECs is one way to generate incremental credits. This concept is also covered in the guidance document titled “Incremental Credits and the CFP Equity Advisory Committee.”

REC eligibility

The requirements for offsite renewable electricity claimed through RECs are located in Oregon Administrative Rules 340-253-0470(5). All RECs submitted to claim incremental credits through quarterly reports or residential EV charging must meet the requirements of that section and division 253 in general, and the quarterly report must be submitted on time. Incremental credits cannot be claimed for reporting periods that have closed except for residential charging of electric vehicles by utilities or the Incremental Aggregator.

In order to claim the incremental credits, retired RECs retired must be validated by Green-e annually under their US standard and submitting proof of that validation to DEQ. Obtaining proof of that validation or verification from Green-e must occur annually and cover the RECs that were used in the program. If you are having another entity retire RECs on your behalf for your use in the program, you are responsible for ensuring that they must have that validation or verification performed and the results submitted to DEQ. DEQ will provide instructions on how to submit the proof of completion of final verification or a validation statement from Green-e to the agency in early 2022.

Renewable electricity type	Started operation in or after:	Carbon intensity
Solar	January 2016	Deemed CI of Zero
Wind	January 2016	Deemed CI of Zero
Hydropower (subject to certain conditions)	January 2016	Deemed CI of Zero
Geothermal	January 2016	Deemed CI of Zero
Biomass	January 2016	Generator-specific Fuel Pathway application
Biodiesel	January 2016	Generator-specific Fuel Pathway application
Biogas	In 2021, it must have started operating in 2007 or after. The eligible year rolls forward one year every year, eg., in 2022 the biogas generator must have started operation in 2008 or after.	Generator-specific Fuel Pathway application
Fuel Cell	January 2016	Generator-specific Fuel Pathway application
Ocean Energy	January 2016	Deemed CI of Zero

Table 1: REC and generator eligibility by fuel type

For those using RECs from eligible electric generators that DEQ has deemed as having a carbon intensity of zero, generators should use the fuel pathway code ORREC2021 to claim base and incremental credits.

The RECs used for retirement must meet the Green-e Standard’s vintage requirements, which is a 21-month window. Eligible RECs for claiming renewable electricity in a given year must have been generated in that calendar year, or in the last six months of the prior year or the first three months of the following year. For example, for 2021 eligible RECs can be generated from July 2020 – March 2022.

DEQ will produce a separate guidance for documenting the use of utility green power products and power purchase agreements.

Documenting REC Retirements for Quarterly Reports

Under OAR [340-253-0640\(2\)](#):

(d) To claim a carbon intensity other than a statewide or utility-specific mix, or directly connected renewable power under the Lookup Table in OAR 340-253-8010, a registered party must:

(A) Submit documentation that qualifying RECs were retired in a recognized renewable electricity tracking system for the unique purpose of covering that specific charging at the same time as the submittal of the Quarterly; or

[...]

(e) Any entity that claims a carbon intensity using paragraph (2)(d)(A) must annually submit proof of completion of final verification or a validation statement from the Green-e Program for the RECs used to generate incremental credits. Failure to submit such proof is grounds for DEQ to invalidate any incremental credits issued to the entity under the procedures of OAR 340-253-0670; [...]

Registered parties should follow the instructions in this guidance to document their REC retirements. The only REC tracking system currently recognized by DEQ is the Western Renewable Energy Generation Information System, or WREGIS. If an entity wishes to use a different REC tracking system, DEQ will provide specific guidance.

In WREGIS, RECs must be placed into a retirement subaccount named for the fuel pathway code that you are using them to claim in the program. So if you are retiring RECs to claim zero carbon electricity under ORREC2021, you should title the subaccount with that fuel pathway code.

If you are retiring RECs in WREGIS prior to the CFP being added as a retirement reason under Other Regulatory Program, you must select “Other Retirement Reason” and then in the field provided by WREGIS write in the name of the program, the fuel pathway code, and the quarter for which you are retiring RECs. For example: “Oregon CFP ORREC2021 Q1 2021”

After you have retired the RECs for a quarterly report, use the upload supplemental documentation feature for that quarterly report to upload both the PDF and Excel copies of the WREGIS retirement report into the Oregon Fuels Reporting System.

If you are having another entity purchase and retire RECs on your behalf, they must provide you with REC retirement reports from WREGIS where they have:

- (1) created a retirement subaccount with name of your organization as it appears in the OFRS and then Fuel Pathway Code the RECs are being retired to claim. For example:
ABCCorp_ORREC2021
- (2) followed the retirement instructions above

Failure to submit REC retirement records with the quarterly reports where you are claiming incremental credits is grounds for DEQ finding those credits to be invalid and DEQ will remove those incremental credits from your account under the OAR 340-253-0670, the Authority to Suspend, Revoke, or Modify.

Documenting REC retirements for residential EV credit generation

RECs should be retired in the same manner as for quarterly reports. Because residential credit generation is done outside of the quarterly reports, DEQ will request the retirement reports be submitted via email and inform utilities or the incremental aggregator how to do so when it communicates the amount of electricity used for residential charging to those entities.

Alternate formats

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.state.or.us.