

Elements of an Imported Power Reporting Rule

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Context

- What is a reporting protocol?
- What is unique about a reporting protocol for the electricity sector?
 - Stationary Generation
 - Imported Power and Power Deliveries
 - Transmission Losses
 - SF6 Losses from Transmission Equipment
- SB 38 language means adapting, not adopting, any existing protocol.

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Stationary Generation

- Many protocols in place to provide data on emissions from stationary generation.
 - EPA emissions data available for years.
- Most importantly, recent introduction of EPA reporting program means that uniform national standard will be in place.
- Since DEQ has committed to use EPA protocols where available, and most seem to want that anyway, does that mean this part of rule does not need addressing?

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Transmission and SF6

- Important parts of an overall electricity reporting rule.
- Emissions associated with transmission complicated, but relatively sophisticated systems developed in various protocols.
- SF6 programs have been in place, as well as EPA-approved reporting protocol.
- Makes sense to deal with imports first.

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Who are Electricity Importers?

- Investor-Owned Utilities (PGE)
- Consumer-Owned Utilities (EWEB)
- Multi-jurisdictional Utilities (PacifiCorp)
- Electricity Service Suppliers (ESSs)
- Power Marketers (Powerex)
- Power Brokers (Morgan Stanley)
- Federal Entities (BPA)

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SB 38 Electricity Importer

- SECTION 2. { + (1) In addition to any registration and reporting that may be required under ORS 468A.050, the Environmental Quality Commission by rule may require registration and reporting by:
(a) Any person who imports, sells, allocates or distributes for use in this state electricity, the generation of which emits greenhouse gases.

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Historical Context

- First protocols for imported electricity from voluntary protocols which intentionally chose a very broad, generalized approach.
 - California Climate Action Registry
 - The Climate Registry
- Limited applicability of these protocols to an imported electricity reporting rule.
 - No requirements unless generating facilities are owned, or transmission facilities owned.
 - lots of focus on transmission, little on imports.

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Mandatory Reporting Rules

- Sections that focus on power importers
 - California Air Resources Board
 - Western Climate Initiative
- Developed with elements of earlier voluntary protocols to ensure consistency, but higher level of rigor and accuracy with increased accountability throughout.
- Focus on point of regulation, as opposed to entity-wide reporting in voluntary systems.

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WCI Imported Electricity “Essential Requirements” of a Reporting Rule

- Released in July of 2009
- Very similar to CARB reporting rule, but generalized to deal with regional differences and different terminology.
- General goal is to provide a diverse array of information so that regulators receive not only emission estimates, but all the information necessary to understand and verify the emission estimates reported.

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WCI Reporting Rule Structure

- Definitions
- Data Report Requirements for Importers of Electricity (“Deliverers” = “Importers”)
 - General Requirements (emissions, etc.)
 - Report Content (supporting information)
- Calculation of Emissions from Specified Sources
- Calculation of Emissions from Unspecified Sources
- Additional Requirements
 - Multi-jurisdictional Utilities
 - High GhG Importing Retail Providers (Optional)

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WCI Reporting Rule History

- Vetted with Stakeholders throughout WCI region
- Lots of stakeholder input, conference call
- Key changes made in response
- Good Oregon input into language
 - BPA
 - PacifiCorp
 - Others

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SB 38 Boundaries

- SB 38 has a number of specific provisions
 - Consumer-owned utilities
 - Multi-jurisdictional utilities
- Terminology differences between SB 38 and existing protocols (CARB and WCI)
 - In general, CARB and WCI talk about “deliverers” of power instead of “importers”
- Important to understand impacts of SB 38 negotiations on how a to form a rule.

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SB 38 Framework for Rules

- (2) Rules adopted by the commission under this section for electricity that is imported, sold, allocated or distributed for use in this state may require reporting of information necessary to determine greenhouse gas emissions from generating facilities used to produce the electricity and related electricity transmission line losses.

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SB38: Consumer-Owned Utilities

- (b) For the purpose of determining greenhouse gas emissions related to electricity purchased from the Bonneville Power Administration by a consumer-owned utility, as defined in ORS 757.270, the commission may require only that the utility report: (A) The number of megawatt-hours of electricity purchased by the utility from the Bonneville Power Administration, segregated by the types of contracts entered into by the utility with the Bonneville Power Administration; and (B) The percentage of each fuel or energy type used to produce electricity purchased under each type of contract.

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SB38: Multi-Jurisdictional Utilities

- (4)(a) Rules adopted by the commission pursuant to this section for electricity that is purchased, imported, sold, allocated or distributed for use in this state by an electric company, as defined in ORS 757.600, must be limited to the reporting of: (A) Greenhouse gas emissions emitted from generating facilities owned or operated by the electric company; (B) Greenhouse gas emissions emitted from transmission equipment owned or operated by the electric company; (C) The number of megawatt-hours of electricity purchased by the electric company for use in this state, including information, if known, on
- (b) Pursuant to paragraph (a) of this subsection, a multijurisdictional electric company may rely upon a cost allocation methodology approved by the Public Utility Commission for reporting emissions allocated in this state.

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Bringing in Elements of Existing Protocols to Work with SB 38

- Because SB 38 provides its own framework under which a rule can be drafted, there is really no opportunity to just “select” an existing protocol for use.
- Challenge will be to find those elements in existing protocols, especially WCI since it has been vetted thoroughly, and bring them in to a new structure for rule.
- Definitions from WCI a great place to start.

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WCI Key Definitions (1)

- “Balancing authority” means a responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.
- “Balancing authority area” means the collection of generation, transmission, and loads within the metered boundaries of a balancing authority. A balancing authority maintains load-resource balance within this area.

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WCI Key Definitions (2)

- “Electricity importer” (from SB38?)
- “Electricity transaction” means the purchase, sale, import, export or exchange of electric power.
- “Entity” means a person, firm, association, organization, partnership, business trust, corporation, limited liability company, company, or government agency.

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WCI Key Definitions (3)

- “Exchange agreement” means a commitment between electricity market participants to swap energy for energy. Exchange transactions do not involve transfers of payment or receipts of money for the full market value of the energy being exchanged, but may include payment for net differences due to market price differences between the two parts of the transaction or to settle minor imbalances.
- “Final point of delivery” means the last point of delivery for a given electricity transaction.
- “Imported electricity” means electric power generated outside (Oregon), delivered into (Oregon) and having a final point of delivery in (Oregon).

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WCI Key Definitions (4)

- “Multi-jurisdictional retail provider” means a retail provider that provides electricity to consumers in (Oregon) and in one or more other jurisdictions in a contiguous service territory.
- “Point of delivery” means a point on an electricity transmission or distribution system where a power supplier delivers electricity to the receiver of that energy. This point can be an interconnection with another system or a substation where the transmission provider’s transmission and distribution systems are connected to another system, or a distribution substation where electricity is imported into (Oregon) over a multi-jurisdictional retail provider’s distribution system.

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WCI Key Definitions (5)

- “Power contract” means an arrangement for the purchase of electricity. Power contracts may be, but are not limited to, power purchase agreements and tariff provisions.
- “Purchasing/selling entity” means an entity that purchases or sells energy or capacity and reserves transmission services between or among balancing authority areas.
- “Renewable energy certificate” or “renewable energy credit” means a certificate of proof issued by an approved generation information system or third-party verifier that one MWh of electricity was generated by a renewable energy source.
- “Retail provider” means an entity that provides electricity to retail end users in (Oregon).

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WCI Key Definitions (6)

- “Specified source” means a specific electricity generating unit or electricity generating facility which can be matched to a reported electricity transaction due to full or partial ownership by the first jurisdictional deliverer or due to its identification in a power contract with the first jurisdictional deliverer.
- “Unspecified source” means electricity generation that cannot be matched to a specific electricity generating facility or electricity generating unit. Unspecified sources of electricity may include electricity purchased from entities that own fleets of generating facilities such as independent power producers, retail providers, and federal power agencies and power purchased from electricity marketers, brokers, and markets.

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Next Steps

- Need to start taking framework laid out by both SB 38 and existing protocols and integrating them.
- It is important to understand that much of the detail of the rule will likely have to be left to further rulemaking, especially in terms of defining default emission rates.
- Definitions are a good first start.

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