



Oregon Department of Environmental Quality

# **DEQ's Evaluation of Clean Energy Targets**

## **Overview of DEQ's role in verification and determination of emissions data required by HB 2021 (2021)**

This document provides an overview of Oregon Department of Environmental Quality's role in evaluating emissions reporting and projection data submitted to the Public Utility Commission and required by [ORS 469A.420](#) in compliance with Oregon's Clean Energy Targets.

### **Background**

In 2021 the Oregon Legislature passed HB 2021 requiring certain electricity providers to reduce greenhouse gas emissions associated with the electricity they provide to Oregonians. The legislation sets targets requiring Portland General Electric, PacifiCorp and Electricity Service Suppliers (ESS) providing power in Oregon to reduce the greenhouse gas emissions associated with electricity sold in the state to:

- 80 percent below baseline emissions levels by 2030
- 90 percent below baseline emissions levels by 2035
- 100 percent below baseline emissions levels by 2040

Implementation of the program is shared between PUC and DEQ. DEQ's primary responsibility is to collect greenhouse gas emissions data, determine baseline emissions, determine the reductions necessary to meet the targets and verify projected emissions reductions. DEQ's determines those emissions data following the existing emissions reporting requirements specified in OAR 340 division 215.

### **Requirements for emissions reporting and projections**

OAR 340 division 215 requires each entity supplying electricity in Oregon to annually report the emissions associated with power supplied for the prior year using DEQ required protocols, emission factors and reporting systems. In compliance with HB 2021, PGE and PacifiCorp must also develop, and include in a Clean Energy Plan, forecasts of greenhouse gas emissions based on selected Integrated Resource Plans portfolio projections. These projections must be included in a utility's CEP and demonstrate that they can achieve the 2030, 2035 and 2040 clean energy targets.

An ESS must submit an estimate of annual greenhouse gas emissions associated with electricity sold to retail electricity consumers for the current year and following three years. Additionally, an ESS must include a projected reduction of annual greenhouse gas emissions associated with the electricity sold to retail electricity consumers.

### **Electricity greenhouse gas emissions portfolio requirements**

A CEP should have assumptions, analysis, and planned actions consistent with a utility's resource plan. This includes assumptions on load growth, resource types, changes in system operations, and transmission. In the CEP, PGE and PacifiCorp must include total greenhouse gas emissions associated with the required portfolio(s) based on the quantification methodology required by DEQ's greenhouse gas reporting methodology. Emissions must be broken out by individual resource and identify unspecified market purchases and sales. The CEP must demonstrate how the portfolio achieves the emissions reduction targets in HB 2021.

## Evaluating emissions data and compliance

DEQ's ongoing role in implementing HB 2021 is to verify emission projections in submitted CEPs or in information submitted by an ESS. DEQ's assessment includes determining if emissions are calculated pursuant to methods prescribed in OAR 340 division 215, and that the calculations use emission factors determined by DEQ. For PacifiCorp this also includes evaluating the emissions to determine if the multistate cost allocation methodology, required for calculating emissions associated with Oregon retail customers, was applied accurately.

DEQ's role is limited to evaluating emission calculations and emission factors. DEQ's role does not include evaluating non-emission assumptions in the electricity portfolio, such as future load and resources assumed to be used to meet that load.

Once emissions data has been verified, DEQ must issue a determination on whether the submitted information demonstrates that the utility can achieve the clean energy targets. DEQ must report findings to the PUC and to the company submitting the CEP or the respective ESS.

## Data transparency and accessibility

DEQ published emissions accounting information for PGE, PacifiCorp and ESSs describing the use of DEQ methodology for emissions projection purposes. Additionally, a list of specified resources and associated emission factors for use by regulated entities for forecasting emissions to PUC is available [here](#). All information is available publicly on DEQ's website.

## Program contact

Greenhouse Gas Reporting Program website: <https://www.oregon.gov/deq/ghgp/pages/ghg.aspx>

Program contact: <https://www.oregon.gov/deq/ghgp/Pages/ghg-contacts.aspx>

Program email: [GHGReport@deq.oregon.gov](mailto:GHGReport@deq.oregon.gov).

## 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.oregon.gov](mailto:deqinfo@deq.oregon.gov).