



PGE Comments on Linkage Rulemaking Electricity Considerations

December 18, 2024

Portland General Electric (PGE) appreciates the opportunity to comment on the imported electricity provisions of the Climate Commitment Act administrative rules. We appreciated the discussion of these issues with Ecology and other utilities in the 2024 Legislative Session on Senate Bill 6058.

PGE is a vertically integrated electric utility engaged in the generation, purchase, transmission, distribution, and retail sale of electricity in the State of Oregon. PGE serves over 900,000 retail customers with a service area population of approximately 2 million, comprising nearly half of the state's population. While PGE only serves retail customers in Oregon, we own and operate the Tucannon wind facility in Columbia County, Washington, and we transact power with Washington utilities and through the MIDC trading hub. PGE utilizes the MID-C wholesale interstate electric trading hub in Washington to trade power with Washington utilities and to serve our customers in Oregon.

Accurately identifying and quantifying electricity imports is essential to avoid over-counting or double counting emissions under the CCA. To aid in that effort, PGE encourages formal adoption of the lesser-of-analysis scenarios described in the [Electric Power Entities \(EPE\) Under the Climate Commitment Act \(CCA\) White Paper](#) ("White Paper") by administrative rule to provide clarity and certainty for the market as to the treatment of imported power.

It is especially important that Ecology ensures an entity such as PGE can demonstrate that electricity sourced from a 'composite source POR' was separately accounted for because the electricity supply either originated from a Washington resource or Washington Balancing Authority Area. To-date, PGE uses the lesser-of-analysis documented in the White Paper to show that electricity and any associated emissions sourced from a 'composite source POR' in a multistate BAA was separately accounted for. The example described in Appendix 1 of the [whitepaper](#) (see page 28) outlines PGE's situation, and the importance of the lesser-of-analysis to avoid overstating emissions.

Please see below for our response to Department of Ecology's questions that are applicable to PGE:

1. *How should Ecology implement the term "common point"? Should "common point" include or refer to: a single Point of Receipt/Point of Delivery (POR/POD); any PORs/PODs within the same Balancing Authority Area (BAA) located entirely within WA; or something else?*

PGE response: PGE supports the definition proposed by Western Power Trading Forum (WPTF) in its comments submitted September 27, 2024. Specifically, WPTF proposed the definition: "Common Point" means, for purposes of identifying electricity wheeled through the state, PORs and PODs within the same BAA located entirely in Washington, Electricity exported from Washington must be matched to an electricity import that sinks to a POD in the same BAA to be considered electricity wheeled through the state on separate e-tags.

2. *How should Ecology implement the term "trading hub" specific to the MID-Columbia (MID-C) area? Should trading hub refer to: the MID-C adjacency only; a broader set of PORs/PODs associated with MID-C transactions. If so, how should these be defined; or something else?*

PGE response: PGE recommends the formal adoption of lesser-of-analysis scenarios described in the Electric Power Entities (EPE) Under the Climate Commitment Act (CCA) White Paper as the means of implementing the term trading hub, which was intended to recognize hubbing arrangements at the Mid-C area. PGE agrees with WPTF's recommendation that Ecology formally adopt provisions to enable entities to use the lesser-of analysis to show that electricity and any associated emissions sourced from a 'composite source' POR in a multistate BAA was separately accounted because it was partially (or completely) supplied from a Washington resource or sourced from a Washington-only BAA.

3. *For unspecified imports initially sinking at a trading hub, should "wheel throughs" be limited to occurring into and out of the same BAA at the trading hub. (e.g. An Electric Power Entity (EPE) transacting at MID-C and sinking and sourcing from both BAA X and BAA Y, "wheel throughs" would have to be separately calculated for BAA X and BAA Y even if all source PORs/PODs are associated with the MID-C area).*

PGE response: See PGE's answers to Items 1 and 2. PGE supports the definitions proposed by WPTF that would limit wheel-throughs to PORs/PODs within the same BAA. For entities such as PGE whose BAA is considered out of state, PGE recommends the formal adoption of the use of lesser-of-analysis to show that electricity and any associated emissions sourced from a 'composite source' POR in a multistate BAA was separately accounted because it was partially (or completely) supplied from a Washington resource or sourced from a Washington-only BAA.

"Balancing Energy"

Ecology requests multistate BAAs and interested parties provide feedback on the following topics. This information will help Ecology determine if and how balancing energy may be separately accounted for in electricity reporting as enabled by SB 6058.

For balancing energy provided to in-state generators by a MJRP, a multistate BAA without retail load in WA, or a federal system:

- *Is balancing energy provided by the multistate BAA associated with "system energy"?*

- *Would it be appropriate to apply a system emission factor or an unspecified emission factor to any balancing energy provided by the multistate BAA?*
- *Is balancing energy provided by the multistate BAA generally associated with certain resources (e.g. hydro power or centralized electricity market purchases)?*
- *Is balancing energy provided by the multistate BAA fully accounted for by other aspects of EPE reporting?*

PGE response: PGE recommends against the use of an unspecified emission factor. PGE recommends Ecology allow for the use of (1) a system emission factor or (2) resource-specific emission factors if an entity can identify the resource(s) providing balancing services for the resource in question. For example, in PGE's circumstance, the Tucannon wind facility in southeastern Washington is pseudo-tied into the PGE Balancing Authority Area, and balancing energy is provided by PGE's resources providing regulation service to the PGE Balancing Authority Area. If PGE needed to identify the provision of balancing services for the Tucannon wind facility, PGE could identify the resources providing regulation service in each hour and therefore provide a set of resource-specific emission factors that is more detailed than a system emission factor.