April 17, 2025

Submitted electronically

Department of Ecology
Air Quality Program
P.O. Box 47600
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RE: CRS COMMENTS ON ELECTRICITY IMPORTS AND CENTRALIZED ELECTRICITY MARKETS UNDER THE CLIMATE COMMITMENT ACT.

CRS appreciates this opportunity to submit comments on electricity imports and centralized electricity markets under Washington's Cap-and-Invest program. These comments respond to the Department of Ecology's March 6, 2025, forum and reflect CRS's expertise in Renewable Energy Certificate (REC) tracking and emissions accounting. We recommend using a null power-adjusted residual emission factor for unspecified imports, aligning emissions tracking with annual REC-based accounting, and coordinating with CAISO's GHG Coordination Working Group and SPP's Markets+ GHG Task Force to ensure consistent treatment of imports and REC claims across market jurisdictions. Our goal is to support policies that prevent double counting, preserve REC integrity, and enable transparent and accurate emissions reporting in interconnected electricity markets.

BACKGROUND ON CRS AND GREEN-E®

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS provides technical guidance to policymakers and regulators at different levels on renewable energy policy design, accounting, tracking and verification, market interactions, and consumer protection. CRS also administers the Green-e® programs. For over 25 years, Green-e® has been the leading independent certification for voluntary renewable electricity products in North America. In 2023, Green-e® certified retail sales of nearly 125 million megawatt-hours (MWh), serving over 1.3 million retail purchasers of Green-e® certified renewable energy, including nearly 300,000 businesses.[1]

Emission Factor for Unspecified Source Imports from Centralized Electricity Markets (CEMs)

CRS recommends that Ecology adopt a **null power-adjusted residual mix emission factor** for CEM-sourced unspecified imports. This method involves removing generation identified as "null power" from the residual mix when calculating the emissions factor. While this reduces the total MWh denominator,

[1] See the 2024 (2023 Data) Green-e® Verification Report here for more information: https://resource-solutions.org/g2024/

it ensures more accurate accounting of the emissions intensity of residual market power by avoiding misattribution of emissions to null power.

Null power refers to electricity for which no REC or emissions attributes remain. Assigning default emissions values to null power would artificially inflate the residual emissions factor. A null-adjusted figure also aligns with REC accounting principles and avoids conflicts between emissions tracking and certificate markets.

Annual vs. Dynamic Emission Factors

CRS recommends that Ecology adopt **annual emission factors** rather than dynamic (real-time) values. Dynamic EF implementation is incompatible with REC tracking, which operates on monthly or annual timeframes. Using dynamic values could create discrepancies between emissions accounting and REC ownership, compromising market integrity.

An annual residual mix allows for consistency with data reported to WREGIS and aligns with the broader systems used across the West for both voluntary and compliance-based renewable energy accounting. This approach balances emissions accuracy with compatibility across programs and jurisdictions.

Use of E-Tags and Potential for Double Counting

CRS affirms that e-tags may contribute to double counting risks, particularly where transfers span multiple jurisdictions. However, e-tags do not convey environmental attributes and should not be used to verify emissions or REC ownership.

Instead, emissions and specified source claims should be supported by robust **REC-based tracking and retirement**, especially in cases where imports may also be claimed by other jurisdictions. CRS emphasizes the importance of ensuring that RECs used for specified imports are ultimately retired in Washington or tracked in a way that prevents dual claims.

Emissions Leakage and Market Coordination

Ecology should proactively address **emissions leakage**, especially as regional market designs continue to evolve. CRS encourages direct engagement with CAISO's GHG Coordination Working Group and SPP's Markets+ GHG Task Force to ensure coordinated rule development.

To prevent leakage and maintain market credibility, Ecology should:

- Require **REC serial number reporting** for all specified renewable imports;
- Ensure those RECs are **retired in Washington**, where appropriate;
- Promote alignment between REC retirement and emissions claims under both CCA and CETA;

These steps are essential to protect against leakage, maintain REC market functionality, and support credible emissions reductions.

Please let me know if we can provide any further information or answer any other questions.

Sincerely,

_____/s/_____

Lucas Grimes

Senior Manager, Policy