

Request for Guidelines: CO₂ emissions from unspecified wholesale purchases

The Oregon Departments of Energy and Environmental Quality and the Oregon Public Utility Commission request the WRAP help western states, provinces, and tribes develop guidelines to calculate the CO₂ emissions (pounds per megawatt-hour) from unspecified wholesale purchases that meet the electricity needs of each state, province, or tribe.

Most wholesale power sales in the West are not from a specific power plant. These are known as unspecified market purchases. Yet an estimate for the CO₂ emissions associated with these utility purchases is needed to complete CO₂ emissions inventories for each state, province, or tribe.¹

A variety of agencies track CO₂ emissions across the West. Energy offices in Oregon and Washington inventory their state's CO₂ emissions annually. In six other Western states the air quality agency makes these calculations. The British Columbia Ministry of Environment inventories provincial electricity emissions. Recently, WRAP took up the issue of a multi-state CO₂ registry.

Oregon and Washington jointly estimate a CO₂ emissions rate for unspecified wholesale purchases by their utilities. This estimate is based on the gross generation mix of the U.S. portion of the Northwest Power Pool (a collection of utilities that serve northwest loads), netted for the power from specific power plants that serve Oregon and Washington loads. Imports and exports with other U.S. regions in WECC are included.

Any effort to track CO₂ emissions across the West from the electric sector will need a similar type of estimate.

Allocation of the rights to claim low-CO₂ power resources may have significant cost implications as we move toward state, provincial, tribal, and federal regulation of CO₂ emissions. Federal CO₂ regulations are being considered by the 110th Congress. California is implementing AB 32 that will regulate CO₂ emissions. These efforts need a consistent accounting system for the CO₂ attributes of western wholesale power purchases.

In addition to WRAP members, utilities, state energy agencies and public utility commissions need to participate in this effort. Most of these organizations are members of the Committee on Regional Electric Power Cooperation (CREPC), so a discussion of this at the CREPC meeting in Denver on April 4 and 5 would be helpful. Participation by WECC members and staff, and the staffs of the Western Governors' Association and Western Interstate Energy Board would also be helpful.

¹ The West in this context is the Western Electrical Coordination Council (WECC) area of the 11 western states, Alberta, British Columbia and parts of Texas, Nebraska and South Dakota and northern Baja Mexico. At a minimum, this estimate of CO₂ from unspecified market purchases should address three WECC sub-regions (the U.S., Canada and Mexico). It may be logical to further divide the U.S. or Canadian portions of WECC, but that can be addressed as a design issue.

This effort would further benefit from participation by the governments of Alberta and British Columbia. B.C. exports significant amounts of hydro power to the U.S. Also, new power lines from western Canada to the U.S. are being planned. The Canadian federal government is a signatory to the Kyoto Protocol. The Alberta Department of Energy, the B.C. Ministry of Energy & Mines and the B.C. Utility Commission are members of CREPC.

We believe WRAP is the organization best suited to lead this effort. WRAP should coordinate with CREPC. Most of the actual work will be done by a state and provincial staff from a combination of interested agencies. The home for this activity is less important than the work efforts by appropriate agencies.

Action on this issue is needed in 2007. A preliminary estimate of CO₂ for unspecified wholesale purchases by the California Air Resources Board assigned some Northwest hydro generation to California utilities. Some of this hydro power may already be claimed by Oregon and Washington as part of their CO₂ calculations. As the CO₂ attributes of utility power sources take on a market value, having overlapping claims on low-CO₂ power is problematic.

Oregon appreciates WRAP's consideration of this proposal and looks forward to addressing this important issue.