

# AGENDA

## Utilities and Transportation Work Group

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September 21, 2017

3 PM – 4:45 PM

Hearing Room 50 State Capitol (ground level)

[https://www.oregonlegislature.gov/citizen\\_engagement/Pages/Legislative-Video.aspx](https://www.oregonlegislature.gov/citizen_engagement/Pages/Legislative-Video.aspx)

*Welcome and Introductions* – Senator Michael Dembrow and Representative Ken Helm

*Work Group Charge and Questions and Guiding Principles* – Senator Lee Beyer

### *Background Presentations:*

- *Overview of Cap-And-Invest Policy*  
Colin McConnaha, Senior Climate Policy Advisor, Department of Environmental Quality
- *Oregon Issues*  
Jason Eisdorfer, Utility Program Director, Public Utility Commission  
Roger Gray, CEO, Northwest Requirements Utilities
- *Revenue Issues*  
Maureen McGee, Deputy Legislative Counsel, Office of Legislative Counsel

*Roundtable Work Group Discussion* – All

*Opportunity for Public Comment*

*Wrap Up and Next Steps* – Senator Lee Beyer

*Adjourn*

# Presentation on GHG Cap and Trade Program

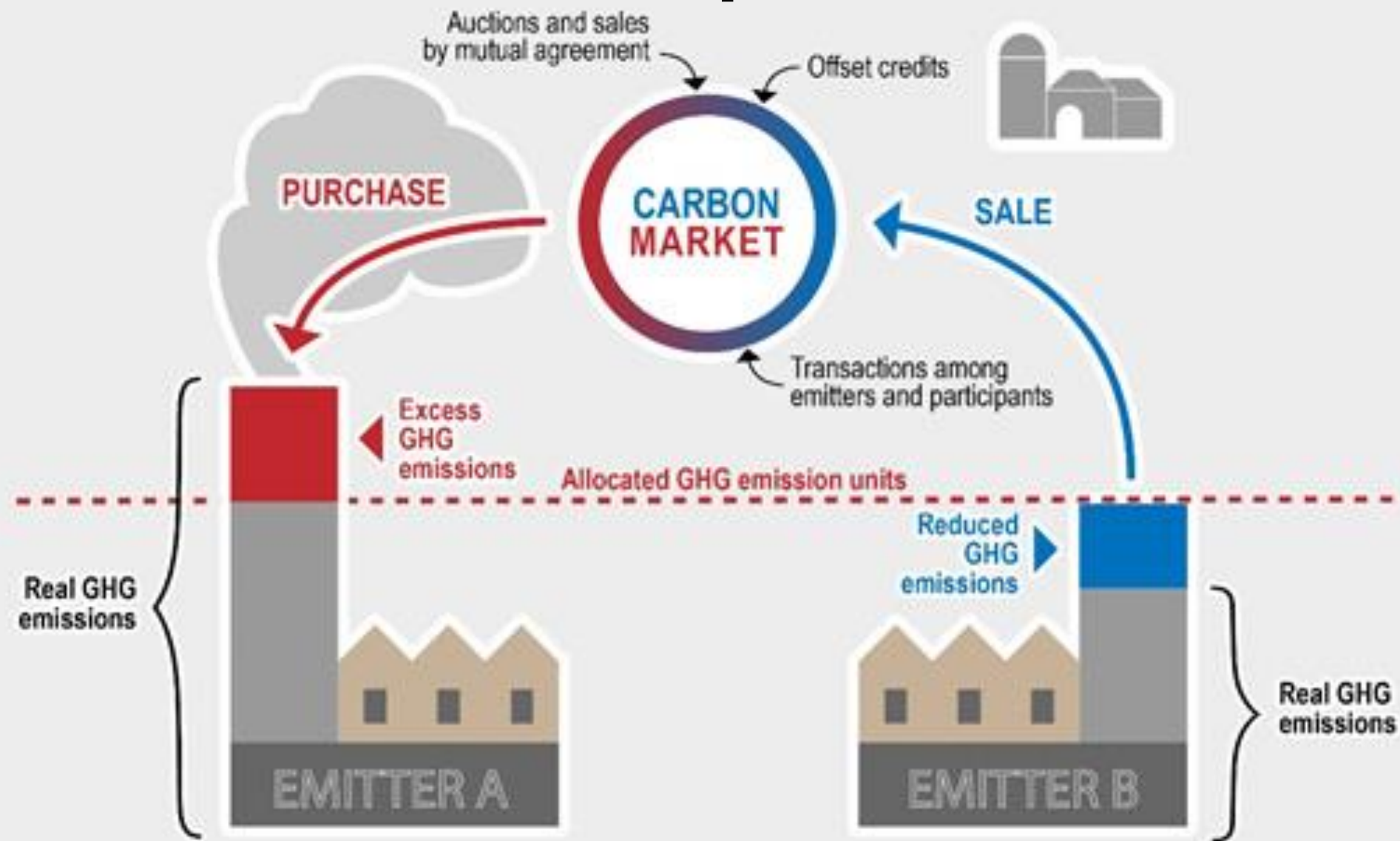
(9/21/17)

# Greenhouse Gas Cap & Trade Program

Colin McConnaha, DEQ Senior Climate Policy Advisor  
Jason Eisdorfer, PUC Utility Program Director



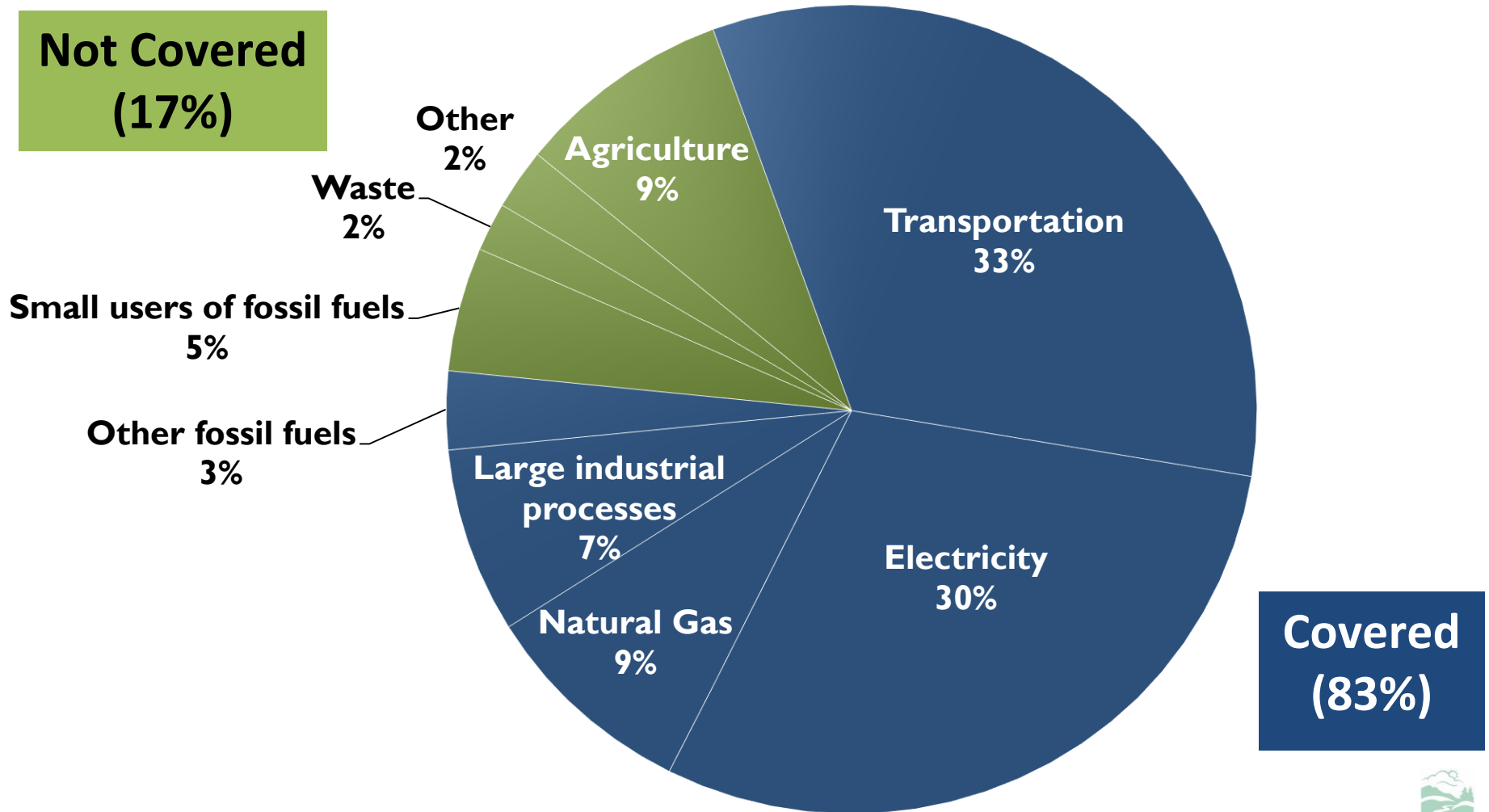
# What is cap & trade?



# Elements of a cap & trade program

- Scope
- Emissions cap
  - Point of regulation
- Allowance distribution
  - Revenue
- Cost containment
  - Offsets

# Scope (covered emissions)



# Points of regulation

## Transportation fuels

- Terminal racks
- Importers

## Natural gas

- Utilities
- Pipelines
- Large industrial users

## Electricity

- In-state generators
- Importers

## High emitting facilities

- Industrial process
- Large natural gas users

# Emissions cap

- Align with Oregon's GHG targets
- Cap declines over time
- Key consideration for linkage with other jurisdictions



# Allowance distribution methods

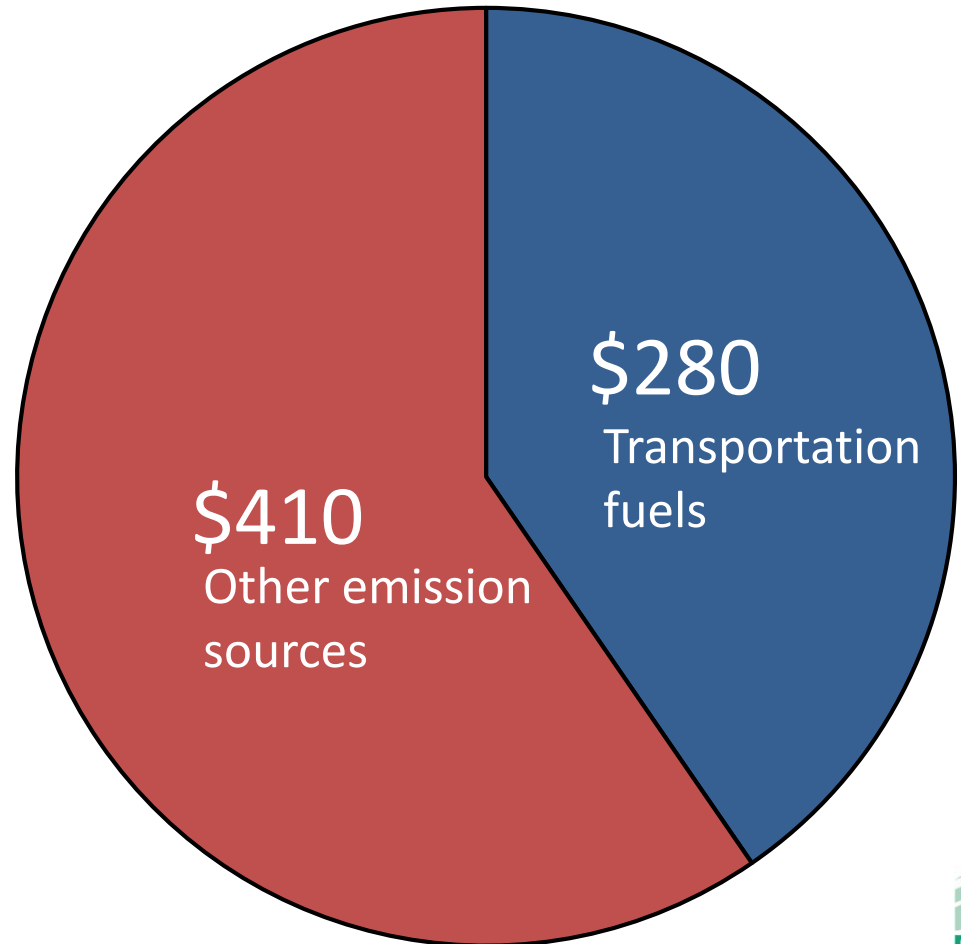
- Auction
- Free
- Consignment (hybrid)

# Revenue

- Revenue from transportation may be restricted
- Remaining auction revenue could:
  - Benefit disadvantaged & rural communities
  - Minimize impacts to utility rates
  - Further reduce emissions
  - Other state priorities

# Approx. revenue in 2021 (\$millions)

VERY rough  
estimate of  
potential revenue  
generated by  
auction of  
allowances



# Cost containment

- Banking
- Linkage
- Price floor
- Price ceiling
- Offsets

# Considerations for utilities

- IOUs & COUs
- Consignment vs free allocation
- Interaction with 1547 and RPS
- Covering imported electricity
- Covering natural gas
  - Suppliers
  - Large users

# Interaction with existing IOU regulation

- Existing policies might achieve much of the emissions reductions for the electric IOUs that a cap and trade could
- Capping statewide GHGs would send a price signal to customers and serve as an emission backstop
- There are ways to mitigate the costs to electric and natural gas customers
- Cap-and-trade connects policies in the transportation, electricity, and natural gas sectors

# Questions?

Colin McConnaha, DEQ Senior Climate Policy Advisor  
Jason Eisdorfer, PUC Utility Program Director



Work Group Homework  
Questions to Answer for  
Next Meeting

(9/21/17)



## Clean Energy Jobs Work Groups

### Meeting #1 -- Homework Questions

**DIRECTIONS:** No later than one week prior to the second work group meeting, please send your responses to the questions below to committee staff ([beth.patrimo@oregonlegislature.gov](mailto:beth.patrimo@oregonlegislature.gov) or [beth.reiley@oregonlegislature.gov](mailto:beth.reiley@oregonlegislature.gov)). As you prepare your responses, please consult with others in your organization or industry, particularly any located in jurisdictions currently participating in the Western Climate Initiative.

**Question 1:** What aspects of a cap-and-invest policy as it is being discussed in Oregon are you most concerned about for your organization/industry/constituents/customers?

**Question 2:** What changes would you suggest be made to cap-and-invest as it is currently being discussed to address the concerns you have?

**Question 3:** What opportunities do you believe exist for your organization/industry/constituents/customers from implementation of a cap-and-invest policy as it is currently being discussed in Oregon?