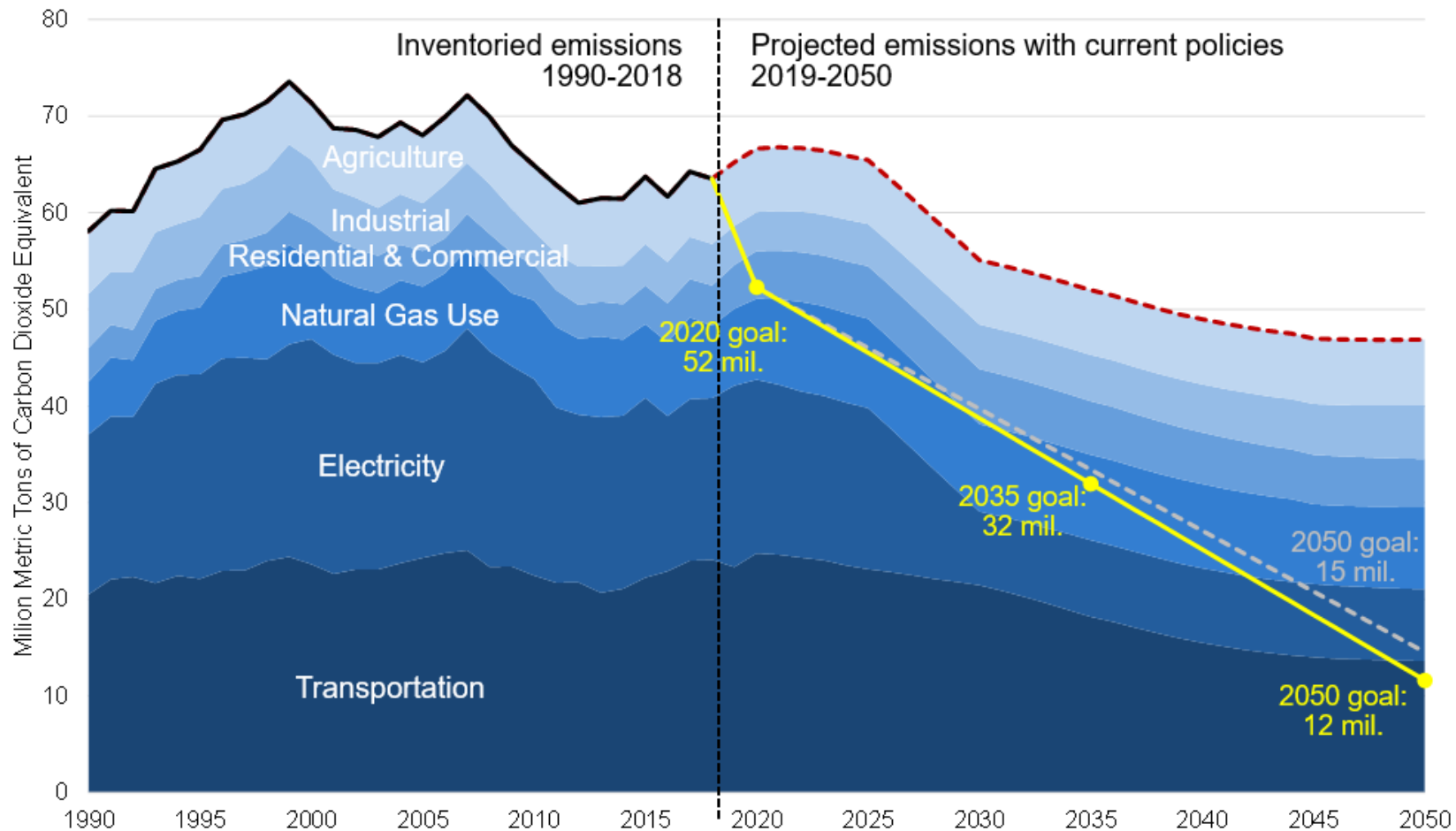


Oregon Clean Energy Targets

Introduction to HB2021

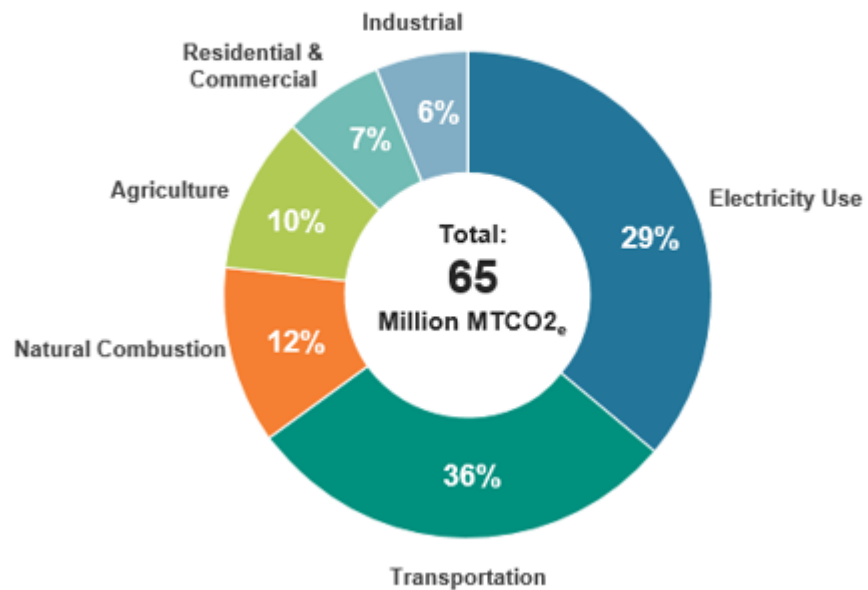
August 2021
NACAA

Oregon Greenhouse Gas Emission & Goals



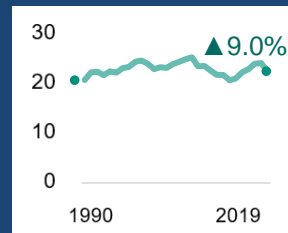
GHG Emissions by Source

2019 GHG Emissions by Source

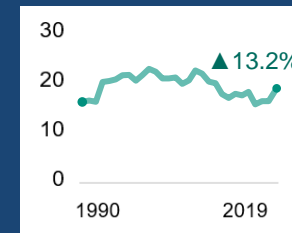


Emissions by sector 1990 vs. 2019

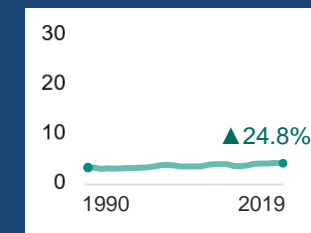
Transportation



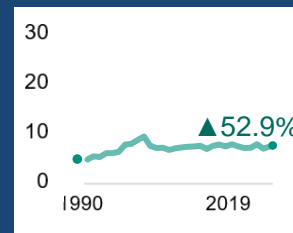
Electricity



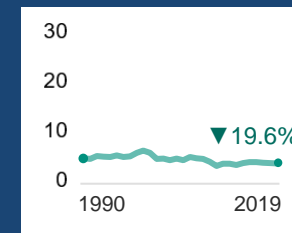
Residential and Commercial



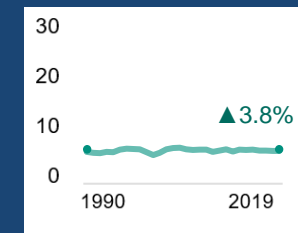
Natural Gas



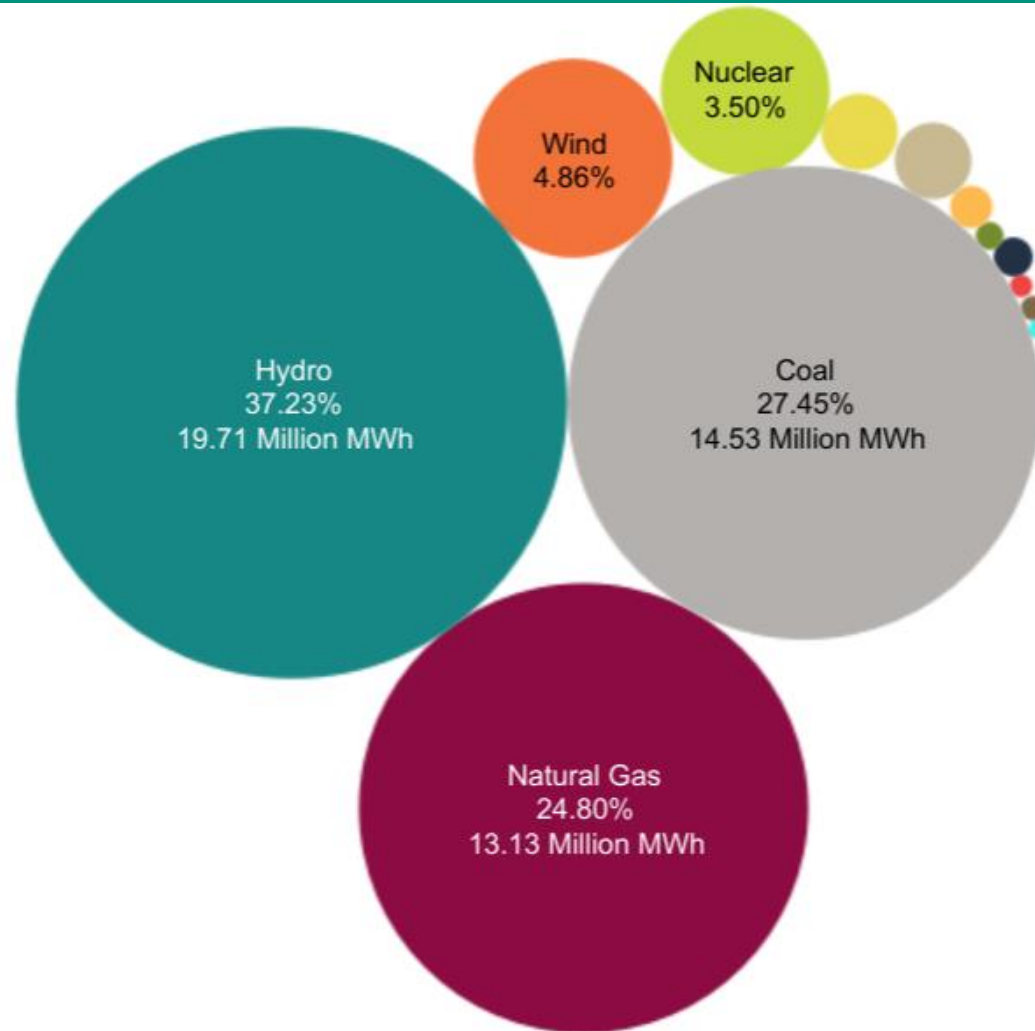
Industrial



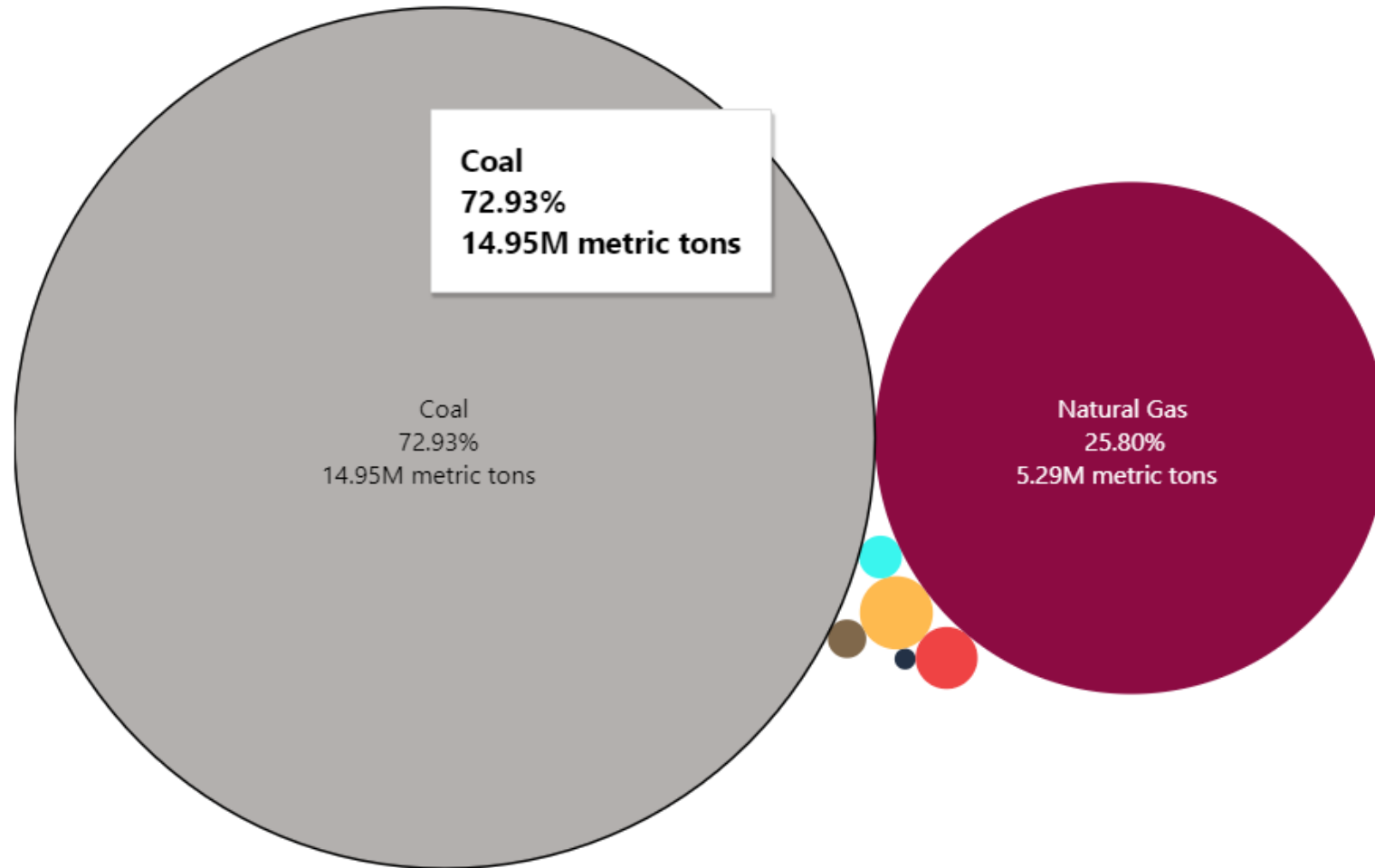
Agriculture



Oregon Electricity Resource Mix



Oregon Electricity Use Resource Mix



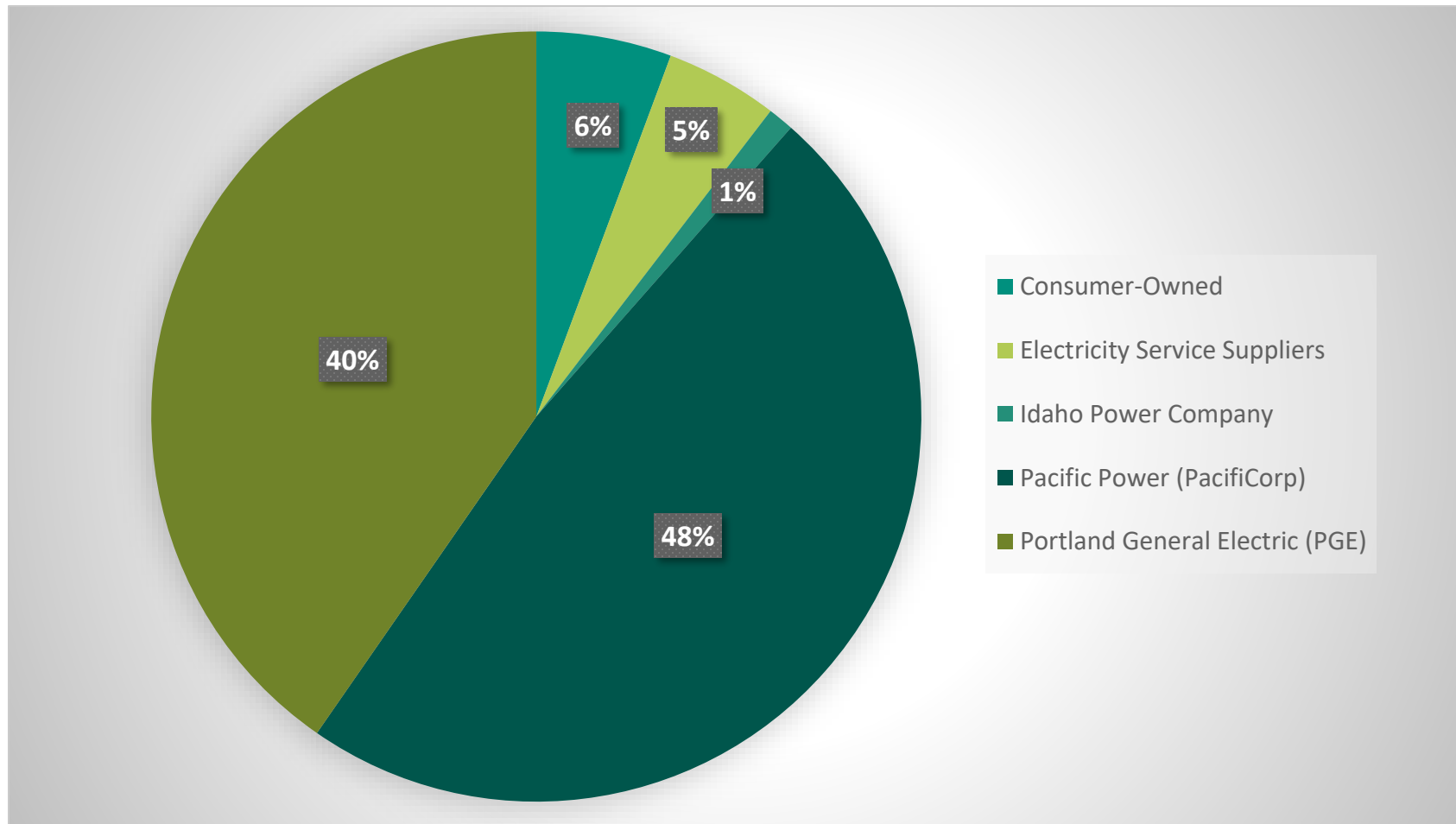
Electricity Supplier Types

In 2020, there were 47 entities that provided electricity to end-users in Oregon, including:

- 39 consumer-owned utilities (COU's)
- 3 investor-owned utilities (IOU)
 - Portland General Electric
 - PacifiCorp
 - Idaho Power
- 5 electricity service suppliers (ESS)



2019 Share of GHG Emissions by Supplier



IOU and HB2021

Investor-owned utilities affected by HB2021:

- Portland General Electric (PGE)
- PacifiCorp.

(Idaho Power Company is exempt from HB2021 because they serve electricity to fewer than 25,000 electricity customers in Oregon (section 17 of HB2021).)

HB2021 requires DEQ to establish a baseline of emissions. The baseline emissions level for an IOU is equal to the average annual emissions for 2020-2012 as reported to DEQ.

These baselines are used to compute emissions reductions targets as set forth by the Bill:

- By 2030, 80% below baseline emissions level.
- By 2035, 90% below baseline emissions level.
- By 2040, 100% below baseline emissions level.

Clean Energy Plans

IOU are required to submit Clean Energy Plans to Oregon DEQ and the Public Utility Commission (PUC). These must:

- Be based on and include an integrated resource plan
- Incorporate CET targets
- Include annual goals with actions toward making progress toward the targets
- Demonstrate continual progress
- Result in an affordable, reliable and clean electric system
- Include an examination of resiliency opportunities
- Examine the opportunities of community-based renewable energy

These plans are reviewed and evaluated by the PUC commission to determine if the electricity provider is making continual progress toward meeting the CET targets.

Emissions data reported to DEQ is used to inform the PUC and determine compliance with the CET set forth.

ESS and HB2021

As opposed to calculating a total quantity of emissions as a baseline, the ESS baseline is calculated based on a carbon intensity rate, with 0.428 metric tons of carbon dioxide equivalent per megawatt-hour (MTCO₂e/MWh).

| ESS Baseline | 80% reduction by 2030 | 90% reduction by 2035 |
|--------------|-----------------------|-----------------------|
| 0.428 | 0.0856 | 0.0428 |

An ESS must annually report emissions associated with power provided to end users in Oregon to DEQ and in addition report the following to PUC:

- Include an estimate of the annual emissions for the following three years
- Annual goals for actions to make continual progress toward meeting CET targets
- Provide information to demonstrate their ability to meet the CET targets

This information is used by the PUC to determine if the ESS is making progress or has met the CET targets.

The bill also...

- Bans expansion or new construction of power plants that burn natural gas or other fossil fuels
- Sets labor standards for any large-scale renewable energy projects built in the state
- Includes \$50 million in grants for community renewable energy projects
- Requires power companies to consider input from low-income ratepayers, environmental justice communities, federally recognized tribes and others as they develop strategies for reducing emissions.