Greenhouse Gas Tracking in the West: State Agency Listening Tour & 2023 Recommendations

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AGENDA

GHG Tracking & Reporting

1. Intro to WRA
2. Relevance of GHG Tracking
3. State Listening Tour Findings
4. 2023 Priorities & Recommendations
5. Q&A & Next Steps
About Western Resource Advocates

We’re tackling the largest sources of carbon pollution, improving air quality for nature and people, protecting and restoring our rivers and water supply, and connecting the West’s unparalleled landscapes.

Our Work
WRA fights climate change and its impacts to sustain the environment, economy, and people of the West.

Our Approach
Working where decisions are made, sweating the details, and creating evidence-based solutions.

Our Team
Policy experts, scientists, economists, engineers, attorneys, fundraisers, and communications professionals leverage our unique strengths.
WRA works across seven states in the Interior West to protect our climate, land, air, and water.
Listening Tour Partners

• Renewable Northwest
• Northwest Energy Coalition
• GridLab

Next Phase Partners

• GridLab
• Gridworks
• Energy Strategies
• Clean Energy Buyers Association
Why does West-Wide GHG reporting matter?
Context and Relevance of GHG Accounting

• Rationale:
  o Clean energy integration through wholesale markets, decarbonizing the grid with reliability, efficiency, fairness, and transparency.
  o Complying with Western state clean energy or emissions reduction goals and mitigate leakage through markets.

• Current knowledge gap:
  o How can we best account for greenhouse gas emissions across states as we regionalize wholesale markets?
  o What are the current level of emissions in the Western Interconnection and potential future reductions due to a regional wholesale market?
Need for GHG Reporting

- States Emission Goals
- Voluntary GHG Reduction Efforts
- GHG Impacts and Reporting due to Day-Ahead and Imbalance Markets
- Post-dispatch GHG reporting and state compliance w/ clean energy or GHG reduction policies
- Post-dispatch GHG reporting best practices

GHG market design rules on leakage, unspecified power, etc.
Day-Ahead Markets: GHG Reporting

• Markets should include a transparent and robust reporting system.
• Accurate reporting of the attributes associated with power flows:
  o Guides fair pricing for all generating resources.
  o Supports resource dispatch in compliance with state clean energy or emissions reduction policies.
  o Provides emissions profile data for utilities, other market participants, and buyers to inform investments and compliance.

Both CAISO EDAM and SPP Markets+ processes recognize seams and state compliance considerations.
What did we learn from Western states?
Western States Listening Tour

• New effort to explore state needs!
• WRA (w/ GridLab, Renewable Northwest, Northwest Energy Coalition) met state agencies to understand current capabilities and tools, as well as future needs, for greenhouse gas accounting
• Discussions with other stakeholders: M-RETS, WREGIS, clean energy buyers, utilities
State Agencies

- Departments of energy, environment, air, natural resources or similar
- Governor’s offices
- Utility commissioners and/or commission staff
- Consumer advocates
Interview Questions

• What is your overall perspective on GHG tracking and/or clean energy tracking at a: State level? Western regional level?
• What are the current GHG policies, existing mechanisms and compliance tools, if any are used in your state? If not, is anything voluntarily being undertaken?
• What are the current challenges in tracking emission, or zero-emission, attributes associated with regional energy flows (energy imports or exports)?
• How are Renewable Energy Certificate/Credit (REC) policies, if any, interacting with any GHG reduction programs or policies in your state? Do you see benefits in REC accounting to capture GHG reductions? What are the challenges?
• If a regional entity created a West-wide platform for GHG tracking, what areas of coordination between your state and the entity would be essential for state-level compliance?
Method of Transcription

- Attitudinal analysis of standardized questions
- Third-person transcription of findings to reduce bias
- Identifying **observations**, **concerns**, and **positions**
Overall Trends for States

• Seeking to ensure data from markets supports state compliance.
• Interest in greater coordination with other states, market operators, and flexible tracking platforms or tools.
• Using different mechanisms to track energy: RECs, state credit systems, data/models from government or environmental organizations, greenhouse gas inventories, IRPs.
  o No one tool is currently enough to meet all needs!
• Harder to track emissions from energy imports and exports.
• Interest in upgrades in greenhouse gas tracking, especially with move to regional markets.
States w/ GHG Reduction Policies (1)

Many states with greenhouse gas reduction policies expressed strong interest in:

• Ability to track emissions associated with imports and exports, not just in-state generation serving in-state load.
• Increased staff capacity and better tools for accurate tracking.
• Increased coordination between sister agencies on tracking and compliance.
Many states with greenhouse gas reduction policies expressed strong interest in:

- Consistent data that can be used by utilities, state agencies, and energy customers to support unique policies and goals.
- State-by-state data for multi-state utilities’ compliance needs.
- Understanding neighboring state policies for greenhouse gas or clean energy tracking.
Many states without active or mandatory greenhouse gas reduction policies expressed strong interest in:

- Practical ways to track data used by utilities and the state for voluntary goals or measuring investments and changing portfolios.
- Understanding energy flows and how in-state generation is being used to serve other states or native load.
- Ensuring any mechanism is flexible and supports unique state policies and goals.
Other Stakeholder Interests

• Utilities: Seeking to maintain compliance with state mandates or voluntary decarbonization initiatives.
• Tracking platform providers: Improved software, more open-source development of tracking mechanisms.
• Clean energy buyers: 24/7 tracking to advance decarbonization.
• Environmental organizations: Track decarbonization progress and measure expected benefits of markets.
What are the next steps for West-wide GHG tracking?
Measures of Progress

Phase 1: 2021
- Research
- Stakeholder feedback
- Whitepaper: best practices for regional accounting

Phase 2: 2022
- Discussions w/ stakeholders
- Day-ahead market developments
- State agency listening tour

Phase 3: 2023
- Stakeholder roadmap workshop
- Reporting metric identification
- Disseminate findings
2023 Deliverables

- Develop three tiers of technical specifications for robust reporting in a West-wide platform for 1) day-ahead market operators and participants, 2) clean energy buyers, and 3) state agencies.
- WRA partnering with CEBA, Gridworks, GridLab, Energy Strategies, RNW, NWEC.
- Propose a formal exploration of a one-stop, West-wide emissions tracking platform housed under a neutral, third-party entity (e.g. WECC?).
Advisory WG Workshop

WRA, with professional facilitation from Gridworks, will host an workshop for stakeholders to discuss respective needs and eventually develop a roadmap for West-wide greenhouse gas reporting.

When: Late Spring 2023 TBD
Where: Virtual and In-Person Options TBD
Questions?
Thank You!

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