

Environmental Tracking Network of North America
Stakeholder Conference Call Meeting Notes
Discussion Paper: Treatment of Environmental Attributes Across Tracking Systems
August 28, 2008

In attendance:

Julie Audet, Brookfield Power
Lori Bird, NREL
Bill Edde, Bonneville Environmental Foundation
Angela Gould, California Energy Commission
Jan Hamrin, ETNNA
Katie Kalinowski, Renewable Northwest Project
Alexia Kelly, The Climate Trust
Anne Marie McShea, New Jersey Board of Public Utilities
Jesse Ram, Constellation NewEnergy
Linda Silverman, Department of Energy
Michel Soucy, Brookfield Power
Rachael Terada, CRS
Connie White, WREGIS
Lisa Zealot, Washington
Leigh, WPPI

Announcements:

1. RPS Collaborative

Jan Hamrin will be giving a presentation on ETNNA during the National RPS Summit on November 6-7. ETNNA members should send suggestions to Jan for topics they would like her to cover.

2. Canadian Outreach

The need to expand ETNNA members from Canada was discussed. EcoLogo, Terrachoice and Manitoba Hydro were suggested as potential outreach targets.

Discussion Paper--Treatment of Environmental Attributes Across Tracking Systems:

The focus of the conversation about the paper was on comments that had been received by ETNNA that warranted further discussion by members:

1. Decisions by tracking systems versus decisions by regulators

In some cases, tracking systems can go beyond what regulators mandate; for example, as long as it still satisfies the states, tracking systems can have their own definition for RECs. The allocation of cost for tracking systems to implement ideas such as this one would need to be investigated.

It was brought up that tracking systems should not be an obstacle for transactions. For example, a landfill gas project in Hawaii could be certified in Massachusetts but would be unable to deliver the RECs into New England GIS because Hawaii is not in a tracking system.

Focusing on the regulatory landscape, there was a discussion about the ownership of derived attributes as they relate to state RPS and GHG regulations. It was suggested that perhaps another paper on this topic would be helpful. Several ETNNA members would like to have this separate paper focus on best practices and tools for decision makers.

2. Use of checkboxes for derived attributes

The use of checkboxes for derived attributes was discussed, focusing on whether partial RECs would be created and traded by using this mechanism. It was mentioned that allowing partial RECs in the system would be a policy call for each tracking system (most currently specify that only whole RECs are allowed). It was suggested that the use of checkboxes could act as an attestation to ensure that RECs in the system are whole unless a regulation mandates otherwise. Regulation of greenhouse gases and how reductions from renewables may or may not be claimed by fossil fuel plants was mentioned; this topic is outside of the scope of this paper.

3. RGGI discussion

Most of the states in the Regional Greenhouse Gas Initiative (RGGI) are considering an off-the-top rule. It was asked whether buyers in a RGGI state that purchase RECs from a non-RGGI state can still claim the derived benefits. It was agreed that they would be able to claim these benefits, but that this issue was one that should be checked with current rules.

4. Treatment of emission-producing plants

For solar thermal plants, RECs are only issued for the non-natural gas portion of generation. Many states consider biomass to be carbon neutral since any CO₂ emissions need to be netted out if one is selling off the carbon benefit. In California's RPS, however, if fossil fuel comprises less than 2% of the mix, then generators can still create RECs for all of the generation. Therefore, there could be direct emissions from these biomass RECs. Capturing and reporting this type of information within the tracking systems would increase costs. Jan will rework this portion of the report and give pros and cons.

5. Treatment of renewables that were being sold as RECs and are now being sold as GHG verified emission reductions (VERs) in the voluntary market

Since no other emissions registries are currently accepting VERs from renewable energy, it was agreed that the easiest course of action at this time is to keep these in the renewable energy tracking systems as RECs and add a Green-e Climate checkbox to indicate that they meet additionality criteria. This topic can be reevaluated when emissions registries start accepting renewable energy projects.