



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Barofsky, McRae and Schlossberg
FROM: Julie McGaughey, Chief Customer Officer; Anna Wade, Business Line
Manager
DATE: February 15, 2022
SUBJECT: Environmental Product Line Pricing
OBJECTIVE: Approval of Board Resolution No. 2208

Issue

Staff are seeking Board approval of Resolution No. 2208 which will establish 2022 pricing for the Lead Green product line, consistent with the structure, intent, and data provided to the Board at the February meeting.

Background

On January 4, 2022, the Board established a strategic direction for climate change policy under SD15. Under this policy, the Board authorized and directed the General Manager to assist customers with achieving their GHG emission reduction goals through a variety of mechanisms which include programs that support alternative fuels, carbon offsets, and sequestration.

Staff followed this directive by developing customer facing products which will support customer decarbonization. Product line specifics were shared with the Board at the February 1, 2022 meeting. The products included in this line are:

- Greenpower
- Cleanpower
- In The Clear
- Carbon Forest Lab

Discussion

In order to facilitate product line implementation, staff are now seeking Board approval of product price schedules. Staff has committed to the Board, the following:

- Prices will be calibrated annually and presented to the Board for approval under existing protocols.
- The Lead Green product line is voluntary and therefore, self-funding. Program expenses will not impact standard cost of service prices for Electric or Water service.
- Staff will provide quarterly product line updates to the Board which will include, at a minimum, participation rates, revenues and program expenses.
- Staff will inform the Board of product line achievements for each program year.
- Any and all commodity activity associated with the Lead Green product line will be overseen and monitored by the Risk Management Committee.

TBL Assessment

EWEB's new product lines will provide expanded access to environmental commodities such as Renewable Energy Certificates and Carbon Offsets. EWEB will also invite customers to provide voluntary funding for carbon sequestration and local renewable energy projects. Each of these will carry carbon benefits commensurate with customer participation levels.

Recommendation

Management recommends that the Board approve Resolution No. 2208 along with associated pricing schedules which will be incorporated into the Customer Service Policy.

Requested Board Action

Approve Resolution No. 2208 and associated pricing schedules.



APPENDIX G - ENVIRONMENTAL PRODUCT LINE PRICES

TABLE OF CONTENTS

A.	Greenpower Schedule.....	98
B.	Cleanpower Schedule.....	99
C.	In the Clear Schedule.....	102
D.	Carbon Forest Lab Schedule.....	103



A. Greenpower Schedule

1. Purpose

Provide a voluntary pricing option in support of the development and use of renewable energy. This schedule is offered in accordance with the Oregon Renewable Energy Act.

2. Applicable

This service is available to both Residential and General Service customers.

The customer account must be current and in good standing to enroll in Greenpower. Customers that have experienced service disconnection due to non-payment may be prohibited from participating in this service for up to 12 months, or as reasonably determined by EWEB.

3. Administration

Funds received from customers under this schedule will cover program costs and match Renewable Energy Certificate procurement and retirement to customer subscriptions.

4. Authorized Use of Funds

- a. Renewable Energy Certificates (RECs) – EWEB will retire an amount of RECs equivalent to the aggregate subscription volume for all Greenpower participants. A REC is a tradeable, market-based instrument that represents the legal property rights to the non-power, environmental attributes of renewable electricity generation. A REC is created for every megawatt hour (MWh) of electricity generated and delivered to the grid from a renewable energy resource. These resources may include:
 - Wind;
 - Solar;
 - Certified low impact hydroelectric;
 - Geothermal;
 - Biomass;
 - And any other resource that meets the EPA guidance and DEQ reporting requirements set forth in this schedule.
- b. Solar Electric Program – Greenpower revenues are the exclusive source of funding for EWEBs Solar Electric Incentive program. This program supports the investment and installation of solar electric systems for residential and non-profit customers within EWEBs service territory.



- c. Greenpower Grants – EWEB issues grant funding on an “as-available” basis. Recipients can receive up to \$50,000 for projects that promote a commitment to the environment and the community by increasing awareness and use of renewable energy sources, adoption of emerging technologies, and/or reducing or offsetting our community’s carbon footprint.
- d. Education – Funding for local schools to support educational activities relating to renewable energy.

5. Quantity

Customers purchasing RECs under this schedule will have two subscription options:

- 1. Full Requirements – A variable rate equivalent to 100% of kWh consumption billed under Energy Charges on the customer bill.
- 2. Block purchases – Fixed amounts in increments of 100 kWh or 1,000 kWh

6. Monthly Price

(Resolution No. 2208)

The price of service under this schedule is additive to all other services, charges and/or fees.

Variable Rate: \$0.01 per kWh
Small Block of \$1.50 per 100 kWh block
Large Block of \$10.00 per 1,000 kWh block

7. Participation

Only EWEB electric services customers are eligible to participate under this service schedule. Eligible customers may sign up at any time of the year. Charges and accounting for associated RECs will begin upon the next meter date following sign up.

Participating customers may remove service under this schedule at any time. Future charges for service will not be incurred following cancellation.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

B. Cleanpower Schedule

1. Purpose



Provide an affordable and voluntary pricing option for the procurement and retirement of Renewable Energy Certificates (RECs), representing the legal property rights to the environmental attributes of renewable electricity generation on behalf of participating customers.

2. Applicable

This service is available to both Residential and General Service customers that either meet the minimum consumption criteria required for variable pricing under this service or participate under the block option.

The customer account must be current and in good standing to enroll in Cleanpower. Customers that have experienced service disconnection due to non-payment may be prohibited from participating in this service for up to 12 months, or as reasonably determined by EWEB.

3. Administration

Funds received from customers under this schedule will cover program costs and match Renewable Energy Certificate procurement and retirement with customer subscriptions.

4. Renewable Energy Certificates

EWEB will procure and retire an amount of RECs equivalent to the aggregate subscription volume for all Cleanpower participants. A REC is a tradeable, market-based instrument that represents the legal property rights to the non-power, environmental attributes of renewable electricity generation. A REC is created for every megawatt hour (MWh) of electricity generated and delivered to the grid from a renewable energy resource.

In accordance with [Environmental Protection Agency guidance](#), purchasers of RECs own the exclusive rights to characterize the quantity of their purchased electricity associated with the RECs as low or zero-emissions electricity.

All RECs retired under this schedule are generated by zero-emissions generating resources for the purposes of [Greenhouse Gas Emissions Reporting](#) to the Department of Environmental Quality (DEQ). These resources may include:

- Wind;
- Solar;
- Certified low impact hydroelectric;
- Geothermal;
- Biomass;



- And any other resource that meets the EPA guidance and DEQ reporting requirements set forth in this schedule.

The certification and retirement of RECs purchased under this schedule shall be performed by and executed within the Western Renewable Energy Generation Information System, or any equivalent successor thereto.

5. Quantity

Customers purchasing RECs under this schedule will have two subscription options:

1. Full Requirements – A variable quantity of RECs which are equivalent to 100% of kWh consumption billed under Energy Charges on the customer bill.
2. Block purchases – Fixed amounts in increments of 5,000 kWh or 20,000 kWh

Under either option, subscriptions may not exceed 2X average monthly consumption for any individual customer. Customers must have a minimum average consumption of 5,000 kWh per month to participate in the full requirements option. Notwithstanding the foregoing, all customers are eligible to purchase a single small block of 5,000 kWh.

6. Monthly Price

(Resolution No. 2208)

The price of service under this schedule is additive to all other services, charges and/or fees. Variable and Block prices are calculated annually, based upon transacted purchase price and a 12-month rolling average of comparable market prices for RECs, plus an additional 28% for transactional and administrative expenses.

Variable Rate: \$0.00475 per kWh (\$4.75 per MWh)

Block Rates: Small Block of 5,000 kWh \$23.75 or Large Block of 20,000 kWh \$95

7. Participation

Only EWEB electric services customers are eligible to participate under this service schedule. Eligible customers may sign up at any time of the year. Charges and accounting for associated RECs will begin upon the next meter date following sign up.

Participating customers may remove service under this schedule at any time. Future charges for service will not be incurred following cancellation.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.



C. In the Clear Schedule

1. Purpose

Provide resources to customers which allow them to mitigate carbon footprint above and beyond EWEB energy use through the purchase and retirement of carbon off-sets.

2. Applicable

This service is available to Residential customers only.

The customer account must be current and in good standing to enroll in this schedule. Customers that have experienced service disconnection due to non-payment may be prohibited from participating in this service for up to 12 months, or as reasonably determined by EWEB.

3. Administration

Funds received from customers under this schedule will cover program costs and match voluntary Carbon Offset procurement and retirement with customer subscriptions. Retirements will be performed annually and in aggregate for all participants.

4. Carbon Offsets

Carbon offset credits represent verified greenhouse gas (GHG) emissions reductions or removal enhancements achieved under voluntary market protocols. Offsets are issued as Emission Reduction Tons (ERTs). One ERT represents the reduction or removal from the atmosphere equivalent to one metric tonne of carbon dioxide.

All offsets retired under this schedule shall be verified with a registry approved by California Air Resources Board (ARB) as an Offset Project Registry. These entities oversee the registration and independent verification of projects that meet science-based Standards and follow approved carbon accounting methodologies which ensure accuracy, precision, and rigor in the measurement, monitoring and verification of emissions reductions. Approved registries currently include the American Carbon Registry (ACR), Climate Action Reserve (CAR) and Verra.

5. Quantity

Customers purchasing Carbon Offsets under this schedule will have two subscription options:



1. Small Block – 1 MT CO₂e
2. Large Block – 5 MT CO₂e

Multiple blocks may be purchased. However, total offsets may not exceed 16 MT CO₂e in a calendar year. The annual quantity of offsets shall be divided by 12 and charged monthly, such that the total quantity and charge for offset subscription amounts can be accomplished with a full year of program participation.

6. Monthly Price

(Resolution No. 2208)

The price of service under this schedule is additive to all other services, charges and/or fees. Prices are calculated annually, based upon transacted purchase price and a 12-month rolling average of comparable market prices for Carbon Offsets, plus an additional 28% for transactional and administrative expenses.

- Small Block (1 MT CO₂e) = \$1.25/mo.
- Large Block (5 MT CO₂e) = \$6.00/mo.

7. Participation

Only EWEB residential electric services customers are eligible to participate under this service schedule. Eligible customers may sign up at any time of the year. Charges and accounting for associated Carbon Offsets will begin upon the next meter date following sign up.

Participating customers may remove service under this schedule at any time. Future charges for service will not be incurred following cancellation.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

D. Carbon Forest Lab Schedule

1. Purpose

Promote and secure auxiliary funding for utility initiatives in the McKenzie River watershed for customers interested in natural climate solutions including carbon forestry, source protection, and carbon sequestration research.

2. Applicable



The customer account must be current and in good standing to maintain participation under this schedule. Electric or water service Customers that have experienced service disconnection due to non-payment may be prohibited from participating in this service for up to 12 months, or as reasonably determined by EWEB.

3. Administration

Funds received from customers under this schedule will cover program costs and will only be used for the express purposes of McKenzie River Watershed habitat investments and/or cost associated with the analysis of carbon impact of these investments.

4. Investments

Carbon Forest Lab revenues will support material costs for trees, shrubs, protective materials, seedling transportation and storage. Customers may also choose to support funding for the annual carbon inventory and research work conducted by UO graduate students.

Surplus funds may also be utilized to secure additional project space within the McKenzie watershed through conservation easements, land use partnerships, or direct investment. Additional projects will adhere to the general structure, activities, and purpose of the existing High Banks project.

5. Monthly Price

(Resolution No. 2208)

The price of service under this schedule was established using the actual costs associated with the High Banks project. These costs reflect the prices paid for plant materials and activities conducted by the University of Oregon Soil Plant Atmosphere Lab. Program costs may be adjusted annually to ensure that customer contributions are commensurate with stated expenses and objectives:

Basic: \$6.50/mo. organic materials and maintenance only

Plus: \$8.50/mo. organic materials, maintenance, and carbon research activities.

6. Participation

Participation under this schedule shall not be limited to EWEB electric or water service customer base. All participants must establish an active Customer Information System account in order to facilitate monthly billing and payment for participation.

Participating customers may remove service under this schedule at any time. Future charges for service will not be incurred following cancellation. Service under this



schedule may be immediately removed from a customer account for failure to pay any charges relating to EWEB service.

7. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

REVISION HISTORY

Version	Section Revised / Description	Resolution No.	Approved	Effective
1	Environmental Product Line Product and Price Schedules added	No. 2208		

**RESOLUTION NO. 2208
MARCH 2022**

**EUGENE WATER & ELECTRIC BOARD
ENVIRONMENTAL PRODUCT LINE PRICES**

WHEREAS, the Eugene Water & Electric Board (EWEB) is a customer-owned municipal utility chartered to operate and maintain the Electric & Water Utility systems;

WHEREAS, the Board supports EWEB taking an active role in combating and mitigating the impacts of climate change through customer decarbonization, among other directives formalized in Board Policy SD15;

WHEREAS, Lead Green is a voluntary product line that will help facilitate customer decarbonization;

WHEREAS, EWEB sets its prices based in part on the cost of service;

WHEREAS, Voluntary programs are priced to self-fund associated expenses, with no impact to standard cost of service prices.

WHEREAS, the Environmental Product Line and prices were presented to the Board at its February 1, 2022 Board Meeting.

WHEREAS, individual product schedules are incorporated by reference hereto.

NOW, THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board hereby authorizes the General Manager to establish product prices effective March 1, 2022 and reflect those prices in EWEB's Customer Service Policy as presented at the March 1, 2022 Board Meeting.

Dated this 1st day of March 2022.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its March 1, 2022 Board meeting.

Assistant Secretary