

WREGIS - Change Control

| Change Control & Issues Request Form | | | | |
|--|---|--|--------|------|
| Organization: PacifiCorp | Requested by: Jeremy Weinstein | Date Requested: May 17, 2010 | | |
| Phone number: 925-943-3103 | E-mail address: jeremy.weinstein@pacificorp.com | Priority: Please circle | | |
| | | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Urgent</td> <td style="text-align: center;">High</td> </tr> <tr> <td style="text-align: center;">Medium</td> <td style="text-align: center;">Low</td> </tr> </table> | Urgent | High |
| Urgent | High | | | |
| Medium | Low | | | |
| Title: Retroactive Creation of WREGIS Certificates for Periods in Excess of 75 Days Prior to Registration. | | Target date: Please explain July 1, 201 0 | | |
| <p>Description:</p> <p>WREGIS Operating Rule 12.9 allows for creation of WREGIS Certificates for periods preceding the generator registration with WREGIS. Currently, WREGIS is hard-coded to prevent Certificate creation for periods exceeding 75 days prior to registration. This Change Control requests Certificate creation for earlier periods, <u>dating from the first registration of the unit in WREGIS</u>, provided that the generator <u>(I) takes certain actions to ensure protect against double counting with earlier sales, namely: (a) attests that it has not double sold or otherwise double counted, including any carbon offset or sequestration claim relating to the unit or fuel for the unit (b) submits to an audit, for example by green-e should it be willing to offer the service, at generator expense, (c) waives confidentiality and consents to the posting of the unit and the applicable generation period in a section of the WREGIS website listing unites using this PCR, (d) if applicable, notifies those state RPS regulators who have accepted pre-WREGIS RECs for compliance from that generating unit that it is seeking retroactive RECs, and (e) if applicable, notifies all buyers of RECs from the resource during the period of retroactive creation; and (II) pays fees to WREGIS equal to (a) the current charges, or incremental amount thereof, for generator registration for any such year or part thereof not previously paid by the generator account holder for its portfolio had the applicable generator been registered in WREGIS at the time, plus (b) a service fee per generator unit data entry batch review by WREGIS staff of \$_,000, to replace the current requirement of state payment for staff time (with WREGIS staff to identify the reviews required).</u></p> <p><u>No WREGIS Certificates may be (1) created pursuant to this PCR that include attributes or RECs that have been previously sold, unless delivered directly to the WREGIS account of the buyer of such WREGIS certificates, or (2) used for compliance with any state RPS program, unless delivered directly to such retirement account designated by such state.</u></p> | | | | |

Comment [SJ1]: I don't know if it is or not but if "green-e" is a registered private entity (non-profit or otherwise) the PCR should not reference it but should use a generic term for such organizations.

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Rationale/Benefit/Need:

The generators and regulators using WREGIS will benefit from retroactive certificates, but the system should also be protected from gaming, should protect market integrity ~~should be protected~~, and should minimize the impact on the scarce WREGIS staff time and tight state budgets ~~should be protected~~. Therefore, actions to insure there is no double counting and payment of an amount equivalent to back fees, if any, should be payable to prevent generators from delaying registration in order to use or game the retroactivity feature. Providing for a minimum service fee that covers the amount that would otherwise have been charged to states under Operating Rule 12.9 will not only protect state budgets, but set a self-selecting threshold for use of valuable WREGIS staff time.

Comment [SJ2]: I don't understand? What is trying to be said here? How do back fees delay registration?

Additionally, an expansion of retroactive Certificate creation should help achieve economic and compliance value for RECs from ~~with~~ generators generating test energy for long periods prior to commercial online date and registration.

Comment [SJ3]: Huh? Is this change order stating that the processing of retro active RECs be done on a lower priority basis than other WREGIS work? I am ok with that but I can't tell if that is what this means.

Generators should understand that retroactive Certificate creation will not change any legal or regulatory WREGIS Certificate date or deadline requirements. Retroactive Certificate creation will not affect any rule respecting resource eligibility; for example, retroactive Certificate created for periods that pre-dating the filing with the California Energy Commission of resource eligibility pre-certification will not be usable for compliance with the California RPS. Additionally, it is the generator's responsibility to make arrangements for any required Qualified Reporting Entity (QRE) services or support, including any costs of such QRE services or support with respect to any retroactive data uploaded to WREGIS. Nothing in this change requires QREs to perform any service without compensation.

WREGIS disclaims any responsibility for or representation respecting the generator's legal authority to sell wholesale energy, or the eligibility of any WREGIS Certificates for any specific state program, for periods before or after registration. WREGIS Certificates will not be created through this PCR (as opposed to another PCR) for periods predating operation of WREGIS.

Nothing in this change would prevent states from themselves requiring of a specific generator and paying for retroactive WREGIS Certificate creation in the manner currently provided in the Operating Rules. Nothing in the change is intended to affect any requirement of any voluntary program.

Comment [SJ4]: I don't understand what this sentence is saying? Is the "and" meant to be "is"?

Capturing more REC vintages also decreases the potential for erroneous, improper or fraudulent claims by converting a difficult-to-audit paper

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attestation process into the more-transparent WREGIS process, especially when carried forward by compliance program reporting.

Consequences of not Implementing Change:

Not implementing the change will (a) increase scarcity of WREGIS Certificates and regulated entity compliance opportunities that would otherwise be mitigated through this change and (b) further disadvantage specific generators that have been delivering renewable resource electricity but had delays achieving commercial operation.

Attachments/References:

WREGIS Operating Rules Section 12.9.

Signature:*/s/***Date:** 5/17/10**Please send to SAC:**

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