

PCR-192 Oregon RPS retro-REC Creation

PacifiCorp is a regulated entity under the Oregon Renewable Portfolio Standard as established by Senate Bill 838 (“RPS”). See ORS 469A. The Company is submitting these comments in support of PCR-192 as requested by Kip Pheil formerly of the Oregon Department of Energy (the “Department”) on September 27, 2010, requesting modifications to WREGIS software to allow for the retroactive creation of Oregon RPS eligible renewable energy credits (RECs) dating back to January 1, 2007.

As PCR-192 explains, calendar year 2011 represents the first compliance year for Oregon utilities under the RPS. Pursuant to rules adopted by the Department in 2008, RECs with a vintage date of January 1, 2007 or later may be used to comply with the Oregon RPS. The statute and Department rules also authorized the adoption of WREGIS as an option for accounting for Oregon-eligible RECs. Unfortunately, the inability of the WREGIS software to create RECs associated with qualifying electricity generated prior to the WREGIS launch date of June 2007 prevents regulated entities, such as PacifiCorp, from being able to use certain qualifying electricity for compliance with the Oregon RPS consistent with the Department rules and statute.

To remedy the limitations of WREGIS in the context of the Oregon RPS, PacifiCorp supports modification to WREGIS software to allow for the creation of retroactive RECs, consistent with PCR-192. With the first compliance year commencing in less than two months, PacifiCorp respectfully requests that WREGIS conclusively resolve PCR-192 before December 31, 2010.

Ryan Flynn - PacifiCorp

11/5/2010

The Oregon Municipal Electric Utilities Association (OMEU) is an association of eleven small city-owned electric utilities in Oregon. OMEU member utilities have compliance obligations under the Oregon RPS as established by Senate Bill 838 (now ORS 469A). OMEU is submitting these comments in support of PCR-192 as requested by the Oregon Department of Energy. This request seeks modification to WREGIS software to allow for retroactive creation of Oregon RPS-eligible renewable energy credits (RECs) dating back to January 1, 2007.

The Oregon RPS statute states that RECs with a vintage date of January 1, 2007 or later may be used to comply with the Oregon RPS.

OMEU supported the passage of SB 838 and member utilities made power and REC purchase decisions based on the statute. Unfortunately, WREGIS was not formally launched until June 2007 and thus OMEU members have to date been unable to use qualifying electricity purchased from the Bonneville Power Administration and other providers prior to that date even though those RECs are clearly authorized in Oregon statute and rule. Our compliance obligation target may not be as large as the major utilities; but given our limited choices as small, distribution-only utilities, every bit of qualifying electricity purchased is important to us.

Therefore, OMEU supports modification to WREGIS software to allow for creation of retroactive RECs, consistent with PCR-192.

Thank you for the opportunity to comment.

Tom O'Connor - Oregon Municipal Electric Utilities Association

11/5/2010

The Eugene Water and Electric Board (EWEB) supports PCR-192 as requested by the Oregon Department of Energy. EWEB is subject to the primary standard of the Oregon Renewable Portfolio Standard (RPS). The Oregon RPS makes eligible renewable energy certificates (RECs) with a vintage date of January 1, 2007 or later to be used for Oregon RPS compliance. However, the Oregon RPS at this time only permits the use of generation accounted for in WREGIS. Unfortunately, because the WREGIS launch date (June 2007) falls several months after the earliest eligible vintage for Oregon RPS compliance, EWEB may have several months of renewable generation that is unusable for Oregon RPS compliance. This is unfortunate for early actors in the acquisition of renewable energy resources, and undermines the intent of the Oregon legislature in enacting the Oregon RPS and choosing the vintage eligibility that they did.

EWEB strongly supports the modification of WREGIS software and protocols to allow for the creation of retroactive REC's. As the start of Oregon RPS compliance obligations draws near, EWEB respectfully requests that WREGIS bring a resolution to this critical issue before December 31, 2010.

Thank you for considering our position on this important issue.

Jason Heuser - Eugene Water and Electric Board

11/5/2010

RenewedCurrent is an aggregator for distributed generators. As such, our customers use the clean electricity they generate on site so any RECs associated with their generation are necessarily decoupled or "unbundled" from the power itself. It is important to keep this perspective in mind in considering this comment.

Our view is that RECs are units of value that are only potentially realized as attributes of clean electricity generation. They are a reward (that acts as an incentive) for those that engage in favorable behaviors, like generating clean electricity. But they are creatures of public policy and therefore do not come into being unless and until they go through the WREGIS administrative process.

So the determinative issue is for what past generation in Oregon should WREGIS allow REC recognition?

RenewedCurrent's position is that RECs should only issue for past generation that can be sufficiently verified; not verification of the claim but verification of the actual generation. This means there is some independent third party process or data tracking mechanism that can reliably verify the past generation took place, was precisely measured, and was of a suitable nature for REC recognition e.g. additional, etc. What constitutes sufficient verification must be left for WREGIS to decide, at least until other regulatory structures emerge.

Notice this position does not turn on how far back in time generation occurs, but focuses on the relative reliability of the verification. (However, because only WREGIS has the authority to recognize RECs in the Western Region, under no circumstances should there be recognition of generation that predated WREGIS' existence, regardless of whether that past generation can be verified as described.) One might argue that the standard for verifying past generation should be higher in order to protect WREGIS from those that would criticize its practices and policies in a veiled effort to prevent renewable energy securities markets from developing. We are dealing with a coalition of such interests in California right now.

Nonetheless, RenewedCurrent supports a practical approach that takes account of the realistic challenges an applicant faces in verifying past generation. But if the past generation cannot be reliably verified, it should not be recognized.

Once WREGIS adopts a general policy for recognizing anything other than contemporaneous generation, it should be encouraged to look at past generation applications on a case by case basis. But again, it is crucial that the underlying policy be established first. Then, a case by case approach will provide guidance to those seeking similar accommodation in the future. Having access to some historical information about earlier application outcomes will benefit WREGIS administration and market participants in the future.

As to the Oregon Dept. of Energy's application, RenewedCurrent would be in support if appropriate verification of the generation in question can be marshaled and the administrative burden on WREGIS is not prohibitive.

Charlie Jenkins - RenewedCurrent, Inc.

10/13/10