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DEPARTMENT OF ENERGY

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FILING CAPTION: Implementing legislation regarding renewable energy certificates under the Renewable Portfolio Standard program.

EFFECTIVE DATE: 12/20/2017

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RULES:

330-160-0015, 330-160-0025, 330-160-0030

AMEND: 330-160-0015

REPEAL: Temporary 330-160-0015 from DOE 5-2017(TEMP)

RULE TITLE: Definitions

NOTICE FILED DATE: 10/25/2017

RULE SUMMARY: The proposed rule would make two changes to the requirements for stranded thermal generation: the deadline for applying would be changed from August 1, 2017 to January 1, 2018 and the requirement for registering for thermal generation in the Western Renewable Energy Generation System (WREGIS) on or before August 1, 2017 would be removed. These changes are identical to changes made in a temporary rule filed by the Department, effective July 24, 2017 and expiring January 19, 2018. Additionally, the proposed rule would add a reference to the existing statutory definition for "distribution utility."

RULE TEXT:

For the purposes of Oregon Administrative Rules, chapter 330, division 160, the following definitions apply unless the context requires otherwise:

- (1) "Banked Renewable Energy Certificate" has the meaning in ORS 469A.005.
- (2) "Bundled Renewable Energy Certificate" has the meaning in ORS 469A.005.
- (3) "Compliance Year" has the meaning in ORS 469A.005.
- (4) "Department" means the Oregon Department of Energy.
- (5) "Director" means the Director of the Oregon Department of Energy.
- (6) "Distribution Utility" has the meaning in ORS 469A.005.
- (7) Electricity Service Supplier has the meaning in ORS 469A.005.
- (7) "Electric Utility" has the meaning in ORS 469A.005.
- (8) "Electric Utility" has the meaning in ORS 469A.005.
- (9) "Federal Columbia River Power System" (FCRPS) means the transmission system constructed and operated by Bonneville Power Administration (BPA) and the hydroelectric dams constructed and operated by the U.S. Army Corps

of Engineers and the Bureau of Reclamation in Oregon, Washington, Montana and Idaho.

(10) "Generator representative" means an electricity generating facility's owner, operator or WREGIS account holder.

(11) "High Water Mark Contract" means a power sales contract between a consumer-owned utility and BPA that contains a contract high water mark, and under which the utility purchases power from BPA at rates established by BPA in accordance with the tiered rate methodology.

(12) "Joint Operating Entity" means an entity that was lawfully organized under State law as a public body or cooperative prior to September 22, 2000, and is formed by and whose members or participants are two or more public bodies or cooperatives, each of which was a customer of BPA on or before January 1, 1999.

(13) "Multiple-fuel facility" means a facility that is capable of generating electricity using more than one type of fuel. A facility that uses fossil fuel for generator start-up but otherwise uses a single eligible resource and is not required to register in WREGIS as a multi-fuel generating unit, as defined by WREGIS, is not a multiple-fuel facility.

(14) "Oregon's share" as used in ORS 469A.020(3), means the portion of Federal Columbia River Power System generation attributable to the Oregon load of hydroelectric efficiency upgrades that BPA provides to:

(a) Each consumer-owned utility serving load located in Oregon, pursuant to a High Water Mark Contract;

(b) Each Joint Operating Entity with retail utility members serving load located in Oregon, pursuant to a High Water Mark Contract; and

(c) Each investor-owned utility participating in the Residential Exchange Program that serves load located in Oregon.

(15) "Qualifying Electricity" has the meaning in ORS 469A.005.

(16) "Qualifying thermal energy" means thermal energy that meets the requirements of OAR 330-160-0080.

(17) "Renewable Energy Certificate" (REC or Certificate) means a unique representation of the environmental, economic, and social benefits associated with the generation of electricity from renewable energy sources that produce Qualifying Electricity. One Certificate is created in association with the generation of one MegaWatt-hour (MWh) of Qualifying Electricity. While a Certificate is always directly associated with the generation of one MWh of electricity, transactions for Certificates may be conducted independently of transactions for the associated electricity.

(18) "Renewable Energy Source" has the meaning in ORS 469A.005.

(19) "Residential Exchange Program" means the arrangement, based on section 5(c) of the Pacific Northwest Electric Power Planning and Conservation Act, whereby regional utilities sell BPA an amount of power equal to their residential and small-farm load at their average system cost in exchange for federal electric power, and pass on the benefits to their residential and small-farm customers in the form of a bill credit.

(20) "RPS" means the Oregon renewable portfolio standard as established in ORS 469A.

(21) "Secondary purpose" means an end use for thermal energy that:

(a) Is for heating, cooling, humidity control, or mechanical or chemical work; and

(b) For which fuel or electricity would otherwise be consumed.

(22) "Station service" means the energy that is used to operate an electric or thermal generating plant. It includes energy consumed for plant lighting, power, and auxiliary facilities in support of the electricity generation system. Station service includes thermal energy used to process the facility's fuel.

(23) "Stranded electricity" means qualifying electricity that:

(a) Was generated between January 1, 2007, and March 4, 2011, by a generating unit that was registered in WREGIS on or before March 4, 2011; and

(b) Was reported to the Department on or before March 11, 2011.

(24) "Stranded thermal energy" means qualifying thermal energy that:

(a) Was generated between March 8, 2016 and December 21, 2016;

(b) Was generated by a facility for which an application for certification as Oregon RPS-eligible was submitted to the Department on or before January 1, 2018; and

(c) Was reported to WREGIS no later than six months after the application for certification as Oregon RPS-eligible was approved by the Department.

(25) "Thermal Renewable Energy Certificate" (T-REC) means a REC created in association with the generation of

3,412,000 British thermal units of qualifying thermal energy, which is equivalent to one REC created in association with the generation of one megawatt hour of Qualifying Electricity.

(26) "Unbundled Renewable Energy Certificate" has the meaning in ORS 469A.005.

(27) "Vintage" means the month and year that qualifying electricity was created in accordance with WREGIS protocol.

(28) "WREGIS" means the Western Renewable Energy Generation Information System, which is the renewable energy certificate tracking and reporting system established by the California Energy Commission and the Western Governors' Association and governed by the Western Electricity Coordinating Council for use by states and provinces throughout the western power interconnection.

STATUTORY/OTHER AUTHORITY: ORS 469A.130, OL 2016, Ch. 28 (SB 1547)

STATUTES/OTHER IMPLEMENTED: ORS 469A.130 - 469A.145, OL 2016, Ch. 28

AMEND: 330-160-0025

RULE TITLE: Types of Renewable Energy Certificates

NOTICE FILED DATE: 10/25/2017

RULE SUMMARY: The proposed rule would update the description of delivery requirements for bundled renewable energy certificates (RECs) to reflect changes made by Senate Bill 1547 (2016), specifically that electricity service suppliers (ESSes) and distribution utilities must mutually agree upon a delivery point for generation eligible to produce bundled RECs.

RULE TEXT:

(1) A bundled or unbundled renewable energy certificate may be used to comply with the RPS when it is issued through the WREGIS renewable energy certificate system, and is otherwise consistent with the rules and requirements of the Oregon RPS. The Department will identify those generating facilities eligible for creation of Certificates that can be used to satisfy the Oregon RPS.

(2) Each bundled renewable energy certificate used to comply with the RPS must be supported by documentation demonstrating that one megawatt-hour of electricity that was associated with the bundled renewable energy certificate was delivered to the Bonneville Power Administration, to the transmission system of an electric utility, to another delivery point designated by an electric utility for the purpose of subsequent delivery to the electric utility, or to a delivery point mutually agreed to by a distribution utility and an electricity service supplier for the purpose of subsequent delivery to the distribution utility serving the customer of the electricity service supplier.

(3) To demonstrate that a renewable energy certificate is bundled under Subsection (2) of this rule, an electric utility must either:

(a) Electronically affix to the certificate a valid North American Electric Reliability Corporation (NERC) electronic tagging number ("e-Tag") or another unique identifier adopted by WREGIS or the Department, which demonstrates that one megawatt hour of electricity was delivered to a point described in Subsection (2) of this rule; or

(b) In a manner prescribed by the Department, submit documentation to the Department demonstrating that:

(A) The renewable energy certificate for the qualifying electricity was acquired by an electric utility or electricity service supplier by a trade, purchase or other transfer of electricity that includes the certificate that was issued for the electricity; or by an electric utility by generation of the electricity for which the certificate was issued; and

(B) The qualifying electricity associated with the bundled renewable energy certificate was initially delivered to a point described in Subsection (2) of this rule.

(4) An electric utility required to demonstrate compliance with the RPS through the use of bundled renewable energy certificates, and which demonstrates that a renewable energy certificate is bundled pursuant to 330-160-0025(3)(b), may be required to electronically affix to that certificate a unique identifier adopted by WREGIS or the Department.

(5) The Department may conduct verification audits or may designate a third party for verification services to review any documentation submitted under Subsection (3) of this rule for purposes of verifying compliance with the RPS.

(6) A bundled renewable energy certificate does not need to demonstrate that the electricity identified by the NERC e-Tag is qualifying electricity or that the originating source identified by the NERC e-Tag is a renewable energy source.

STATUTORY/OTHER AUTHORITY: ORS 469A.130, OL 2016, Ch. 28 (SB 1547)

STATUTES/OTHER IMPLEMENTED: ORS 469A.135 - 469A.145, OL 2016, Ch. 28

AMEND: 330-160-0030

RULE TITLE: Allowed Vintage of Renewable Energy Certificates

NOTICE FILED DATE: 10/25/2017

RULE SUMMARY: The proposed rule would update the language on allowable REC vintages to reflect new REC banking rules in statute as established by Senate Bill 1547 (2016).

RULE TEXT:

- (1) The system of renewable energy certificates established through this rule may be used to comply with or participate in the Oregon RPS through the use of Certificates with a vintage of January 2007 or later.
- (2) No renewable energy certificate that derives from the WREGIS renewable energy certificate system with a vintage before January 2007 will be eligible for compliance with the Oregon RPS.
- (3) Renewable energy certificates with a vintage of January 2007 or later, both bundled and unbundled, may be banked for future use within the WREGIS renewable energy certificate system and used for compliance with the Oregon RPS according to the requirements of ORS 469A.140.
- (4) Generating facilities that produce qualifying electricity shall be eligible to receive certificates associated with generation beginning on January 1, 2007.
- (5) Renewable energy certificates created by WREGIS that are associated with stranded electricity or with stranded thermal energy may be used to comply with the Oregon RPS.
- (6) Generating facilities that meet the requirements of OAR 330-160-0080 and that produce qualifying thermal energy shall be eligible to receive T-RECs associated with generation on or after March 8, 2016.

STATUTORY/OTHER AUTHORITY: ORS 469A.130, OL 2016, Ch. 28 (SB 1547)

STATUTES/OTHER IMPLEMENTED: ORS 469A.130, OL 2016, Ch. 28