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Renewable Northwest Project

Renewable Northwest Project comments on ODOE Rulemaking related to the Oregon Renewable Energy Act (SB 838) December 3, 2007

The Renewable Northwest Project appreciates the opportunity to provide comments on the draft rules proposed by the Oregon Department of Energy related to the implementation of the Oregon Renewable Energy Act (ODOE draft rules). RNP has the following initial comments on the draft dated November 5, 2007:

OAR 333-150-0020 (1-3): We strongly support the use of WREGIS as the renewable energy tracking and trading mechanism to establish compliance with the renewable portfolio standard (RPS) established by the Oregon Renewable Energy Act (SB 838).

OAR 333-150-0020 (4): The draft rule states that electric utilities and electric service suppliers (ESSs) are not required to establish WREGIS accounts until such time that they enter a compliance year for which they have RPS obligations. We object to this rule and recommend, instead, that all utilities subject to RPS obligations must establish WREGIS accounts by January 1, 2009 or whatever date the utility wishes to begin banking RECs for later compliance, whichever comes earlier.

The draft rule allows utilities to begin banking RECs for later compliance beginning January 1, 2008. OAR 333-150-0030(3). Utilities should therefore be required to establish WREGIS accounts as soon as possible in order to track and record the banking of RECs while properly ensuring against double counting of those RECs. Once utilities are eligible to bank RECs for later compliance years, tracking of RECs is necessary to ensure utilities are clear about where they are using their RECs – either for power mix disclosure in the current year, for banking for later RPS compliance, for use to supply voluntary green power programs,¹ or for wholesale transactions. Allowing utilities to wait to open WREGIS accounts until their first compliance year – which we note is not until 2025 for every utility except the largest three – would create a situation rife for confusion and potential double counting of RECs.

OAR 333-150-0025 (1): We propose an addition to this rule as follows: “when it ... is identified by the Oregon Department of Energy as an Oregon-eligible certificate ...” WREGIS administrators only offer tracking services and are not able to verify if a REC is Oregon-eligible. ODOE will ultimately have to designate if RECs generated at a given facility are “Oregon eligible certificates” after which point WREGIS can accurately track the transfer and retirement of those RECs.

¹ Note that SB 838 requires all Oregon utilities to offer voluntary green power purchase options, or “green power rate” for their customers. The bill is very clear that RECs used to supply these voluntary programs cannot be counted towards RPS compliance. See SB 838, Section 23.

OAR 333-150-0025 (2): We support matching NERC “e-TAGs” to RECs to demonstrate that a REC is a “bundled REC” for compliance purposes. We do however note that SB 838 allows ESSs to use unbundled RECs for up to 100% of their compliance.² It may therefore make sense to remove the term “electricity service supplier” from this section wherever it appears.

OAR 333-150-0030 (1-3): Again, we support the use of WREGIS as the renewable energy tracking system to demonstrate compliance with the Oregon RPS. We support January 1, 2008 as a start date for eligible RECs.

Thank you for consideration of these comments. If there are any questions, please contact Jesse Jenkins at 503-223-4544.

Respectfully submitted,

Jesse Jenkins

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² See SB 838, Sections 16 and 17 which only place limits on the use of unbundled RECs for utilities subject to the “Large utility renewable portfolio standard” described in Section 6. ESSs are subject to the RPS described in Section 9 of SB 838.