

Renewable Northwest Project 3/25/09 Edits to

**OPUC Staff Draft Rule  
Implementation Plans  
Division 083  
Renewable Portfolio Standards  
March 16, 2009**

**OAR 860-083-00XX**

**Implementation Plans for Electric Companies [ORS 469A.075]**

**Definitions**

*[These definitions are in staff's draft rule on compliance reports:]*

**“Banked renewable energy certificate”** has the meaning given that term in ORS 469A.005(1).

**“Bundled renewable energy certificate”** has the meaning given that term in ORS 469A.005(3).

**“Commission”** means the Public Utility Commission of Oregon.

**“Renewable energy source”** has the meaning given that term in ORS 469A.005(10).

**“Qualifying electricity”** has the meaning given that term in ORS 469A.005(9).

**“Retail electricity consumer”** has the meaning given that term in ORS 469A.005(11).

**“Unbundled renewable energy certificate”** has the meaning given that term in ORS 469A.005(12).

*[These definitions also would be added to OAR 860-083-0005.]*

**“Applicable filing for an electric company”** means an implementation plan under ORS 469A.075, a filing for a change to rates for retail electricity consumers that includes costs of qualifying electricity in rates for the first time, or a compliance report under ORS 469A.170. Applicable filing does not include filings to change rates before 2011.

**“Applicable filing for an electricity service supplier”** means a compliance report under ORS 469A.170.

**“Compliance year”** has the meaning given that term in ORS 469A.005(4).

**“Incremental cost of compliance”** has the meaning given that term in ORS 469A.100.

**“Integrated resource plan”** means the long-term resource plan filed by an electric company that is subject to commission acknowledgment as is generally set forth in Commission Order Nos. 07-002, 07-047 and 08-339. Integrated resource plan does not include an implementation plan filed under ORS 469A.075.

**“Implementation plan”** has the meaning given that term in ORS 469A.075.

**“New qualifying electricity for an electric company”** means qualifying electricity where the costs are first included in an applicable filing for a compliance year. New qualifying electricity can be from new generating facilities, generating facilities with significant investments, or new contracts to purchase electricity.

**“New qualifying electricity for an electricity service supplier”** means qualifying electricity from new generating facilities, generating facilities with significant

investments, or new contracts to purchase electricity that the supplier plans to use to serve customers of electric companies subject to ORS 469A.052 and are first operational in a compliance year.

**“Significant investments”** means investments in a compliance year that increase the efficiency, capacity, available qualifying electricity, or remaining useful life of a generating facility, that if amortized over the remainder of the amortization period and combined with cost changes associated with such investments would increase the levelized cost of the facility by more than *[10] percent*.

- (1) On or before January 1, 2010, and on or before January 1<sup>st</sup> of even-numbered years thereafter, unless otherwise directed by the commission, each electric company that is subject to ORS 469A.052 must file an implementation plan under ORS 469A.075.
- (2) The implementation plan for an electric company subject to ORS 469A.052 must contain the following information for the next odd-numbered compliance year and each of the **four** subsequent compliance years:
  - (a) The annual megawatt-hour target for compliance with the applicable renewable portfolio standard based on the forecast of electricity sales to its Oregon retail electricity consumers;
  - (b) An accounting of the planned method to comply with the applicable renewable portfolio standard, including the number of banked renewable energy certificates by year of issuance, the numbers of other bundled and unbundled renewable energy certificates, and alternative compliance payments;
  - (c) Identification of the generating facilities, either owned by the company or under contract, that are expected to provide renewable energy certificates for compliance with renewable portfolio standard. Information on each generating facility must include:
    - (A) The renewable energy source;
    - (B) The year the facility or contract became operational or is expected to become operational;
    - (C) The county and state where the facility is located; and
    - (D) Expected annual megawatt-hour output for compliance from the facility for the compliance years covered by the implementation plan;
  - (d) A forecast of the expected incremental costs of new qualifying electricity for facilities or contracts planned for first operation in the compliance year, consistent with the methodology in OAR 860-083-XXXX [*incremental cost rule*]; and
  - (e) A forecast of the expected incremental cost of compliance, the costs of using unbundled renewable energy certificates and alternative compliance payments for compliance, compared to annual revenue requirements, consistent with the methodologies in OAR 860-083-XXXX [*incremental cost rule*] and OAR 860-083-XXXX [*revenue requirement rule*].
- (3) If so prescribed by the commission, an electric company must use established forms to provide the information required under sections 2(a) through 2(e) of this rule.

- (4) If there are material differences in the planned actions in section 2 of this rule from the action plan in the most recently filed integrated resource plan by the electric company, or if conditions have materially changed from the conditions assumed in the most recently filed integrated resource plan by the electric company, the company must provide sufficient documentation to demonstrate how the implementation plan is consistent with the integrated resource planning guidelines established by the commission in Order Nos. 07-002, 07-047 and 08-339 and other planning guidelines set forth by the commission. An implementation plan for an electric company subject to ORS 469A.052 must also provide the following information:
- (a) At least two forecasts for subsections 2(d) and 2(e) of this rule: one forecast assuming existing government incentives continue beyond their current expiration date and another forecast assuming existing government incentives do not continue beyond their current expiration date;
  - (b) A range of estimates for the forecasts in subsections 2(d) and 2(e) of this rule, consistent with subsection 4(a) of this rule and the analyses or methodologies in the company's most recently filed integrated resource plan;
  - (c) The electric company must provide sufficient documentation to ~~demonstrate~~ explain any inconsistencies between how the implementation plan ~~is consistent with~~ and the integrated resource planning guidelines established by the commission in Order Nos. 07-002, 07-047 and 08-339 and other planning guidelines set forth by the commission, or provide a citation for such ~~a demonstration~~ an explanation in the most recently filed integrated resource plan or update to an integrated resource plan under the following circumstances:
    - (A) The sum of costs in subsection 2(e) of this rule is expected to be at least four percent of the annual revenue requirement under OAR 860-083-XXXX [*annual revenue requirement rule*] for any compliance year covered by the implementation plan; or
    - (B) The company plans to use any of the following compliance methods for reasons other than to meet unanticipated contingencies that arise during a compliance year:
      - (i) Unbundled renewable energy certificates;
      - (ii) Bundled renewable energy certificates issued on or before March 31 of the year following the compliance year; or
      - (iii) Alternative compliance payments;
  - (d) An implementation plan must provide a detailed explanation of how the implementation plan complies or does not comply with any conditions specified in a commission acknowledgment order on the previous implementation plan and any relevant conditions specified in the most recent acknowledgment order on an integrated resource plan filed by the electric company; and
  - (e) If there are funds in holding accounts under ORS 469A.180(4) and if the electric company has not filed a proposal for expending such funds for the purposes allowed under ORS 469A.180(5), the implementation plan must include the electric company's plans for expending or holding such funds. If the plan is to hold such funds, the plan should indicate under what conditions such funds should be expended.
- (5) A small electric company as described in ORS 469A.055 that has the exemption provided by ORS 469A.055(1) is exempt from OAR 860-083-XXXX through OAR 860-083-XXXX [*all the RPS rules*] except as provided by ORS 469.055.

- (6) The commission will acknowledge the implementation plan in the following manner:
- (a) Commission staff and interested persons may file written comments on an implementation plan within 45 calendar days of its filing. The electric company may file a written response to any comments within 30 calendar days thereafter. Commission staff should present its recommendation at a commission public meeting within 120 days of the implementation plan filing date.
  - (b) The commission will acknowledge the plan at such public meeting, subject to any conditions specified by the commission, unless it decides to commence an investigation or take other action as necessary to make its decision regarding acknowledgment of the plan.
  - (c) The Commission will acknowledge the implementation plan, subject to conditions if necessary, no later than six months after it is filed.
- (7) (a) Each electric company must post on its website the public portion of its most recent implementation plan under this rule within 30 days after a commission acknowledgement order has been issued, including any conditions specified by the commission under ORS 469.075(3).
- (b) Each electric company must provide a copy of the most recently filed implementation plan to any person upon request, until the commission has issued an acknowledgement order on such plan.
- (8) Consistent with commission orders for disclosure under OAR 860-038-0300, each electric company must provide information about the implementation plan to its customers by bill insert or other commission-approved method. The information must be provided within 90 days of final action by the commission on the plan. The information must include the URL address for the implementation plan posted under subsection 7(a) of this rule.