

**AR 518 – Renewable Portfolio Standard (SB 838)**  
**Draft List of Rules**  
**October 4, 2007**

**Electricity Service Suppliers (Section 9)**

- Procedures for implementation of renewable portfolio standards for electricity service suppliers that sell electricity in the service territory of an electric company

**Implementation Plan (Section 11)**

- Contents
- Filing and review timelines
- Acknowledgment procedures, including provision for public comment
- Integration with Integrated Resource Planning guidelines (Order No. 07-002 as corrected by Order No. 07-047)
- Procedures that will be used by the electric company to determine whether the costs of constructing a facility that generates electricity from a renewable energy source, or the costs of acquiring bundled or unbundled renewable energy certificates, are consistent with the standards of the Commission relating to least-cost, least-risk planning for acquisition of resources

**Cost Limitation (Section 12)**

- Incremental cost of compliance
- Methodology for determining the annual revenue requirement for the compliance year of an electric company and an electricity service supplier
- Limits on the incremental cost of compliance with the renewable portfolio standard for electricity service suppliers that are the equivalent of the cost limits applicable to the electric companies that serve the territories in which the electricity service supplier sells electricity to retail electricity consumers
- For an electricity service supplier that sells electricity in territories served by more than one electric company, an aggregate cost limit based on the amount of electricity sold by the electricity service supplier in each territory

**Complying With the RPS Is Not an Above-Market Cost (Section 13(2))**

- Consistent with this section, revise the above-market cost definition in OAR 860-038-0005(1)<sup>1</sup>

**Use, Transfer and Banking of Renewable Energy Certificates (Sections 10, 14-17)**

- Required reporting to the Commission using the Western Renewable Energy Generation Information System (WREGIS)
- Modify OAR 860-038-0220 to require utilities to purchase RECs for portfolio option sales in the prior calendar year in line with the schedule specified in SB 838 Section 10(2)

---

<sup>1</sup> “Above-market costs of new renewable energy resources” means the portion of the net present value cost of producing power (including fixed and operating costs, delivery, overhead, and profit) from a new renewable energy resource that exceeds the market value of an equivalent quantity and distribution (across peak and off-peak periods and seasonality) of power from a nondifferentiated source, with the same term of contract.”

- Modify labeling requirements (OAR 860-038-0300(10))<sup>2</sup> to specify the same schedule (March 31 instead of April 1) and the manner in which the utilities provide attestations for the Environmental Claims Reconciliation Report (WREGIS reports)

#### **Multistate Electric Companies (Section 18)**

- Process for allocating the use of renewable energy certificates by an electric company that makes sales of electricity to retail customers in more than one state

#### **Compliance Reports (Section 19)**

- Contents
- Filing and review timelines
- Review procedures, including provision for public comment
- Requirements for electricity service suppliers

#### **Alternative Compliance Payments (Section 20)**

- Methodology for establishing annual rate for electric companies and electricity service suppliers

#### **Public Purpose Charge (Section 27)**

- “Constructing and operating” language amending ORS 757.612(3)(b)(B), funds for renewable resources
- Amending OAR 860-038-0480(1)<sup>3</sup> to reflect the new sunset date of Jan. 1, 2026

---

<sup>2</sup> “Beginning April 1, 2003, and on April 1st thereafter for the prior calendar year, each electric company, and each ESS making any claim other than net system power mix, must file a reconciliation report on forms prescribed by the Commission. The report must provide a comparison of the fuel mix and emissions of all of the seller's certificates, purchase or generation with the claimed fuel mix and emissions of all of the seller's products and sales.”

<sup>3</sup> “Each electric company that offers direct access to its retail electricity consumers and each electricity service supplier that provides electricity services to direct access consumers in the electric company's service territory will collect a public purpose charge from its retail electricity consumers for 10 years beginning on the date direct access is first offered.”