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DEPARTMENT OF ENERGY

November 27, 2007

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Mr. Mike Grainey
Director
Oregon Department of Energy
625 Marion Street NE Suite 1
Salem OR 97301-3737

Dear Mike:

On behalf of AOI's Energy Committee, a coalition of customers and utilities, AOI urges the department to revise its proposed rules as the rules relate to Renewable Energy Credits.

- The draft rule indicating that RECs issued after 1/1/08 misses the legislature's intent. Section 3 of the law clearly designates qualifying facilities (in service after 1/1/95) and the electricity they provide as eligible for RPS compliance.
- The section of the bill, Section 14, that ODOE based its draft rule on offers no instruction to set a different date other than 1995.
- Failure to use the 1995 date for RECs banking penalizes early adopters of renewable energy and their customers. Consumers would lose the benefit of renewable energy they paid for between 1995 and 2008.
- Under the draft rule, utilities that invested early in renewable energy (at a lower cost) would be penalized; utilities/developers that waited until after 2008 (at potentially higher cost) would benefit.
- ODOE should adopt 1/1/95 as the eligible date for RECs in order to meet legislative intent to reward early adopters (thus the 1995 date for facilities), ensure the RPS can be implemented in a cost-effective way, and protect customers from the costs of "overcompliance."

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Respectfully,

Julie Ann Brandis
Legislative Representative

*District Vice Chairman