

## Implementation of the Renewable Portfolio Standard (SB 838) for Portland General Electric, Pacific Power and Idaho Power

### Two Oregon Public Utility Commission processes

Information at: [http://www.puc.state.or.us/PUC/Senate\\_Bill\\_838.shtml](http://www.puc.state.or.us/PUC/Senate_Bill_838.shtml)

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#### 1. Automatic Adjustment Clause or other mechanism for timely recovery of costs

Staff believes that Commission approval of tariffs (with no dollars in rates) fulfills the requirement to have a mechanism in place by January 1, 2008. Among the issues to resolve:

- Timing of the request for cost recovery – once a year at a certain time, anytime during the year, or multiple times during the year
- Defining costs eligible for recovery under the mechanism
- To what extent the mechanism defines the individual cost components
- Time needed for investigation prior to the asset going into rates
- Whether the revenue requirement associated with the asset should be updated annually
- Whether the Alternative Compliance Payment can be recovered through this mechanism and, if so, under what circumstances

#### 2. AR 518 – Rulemaking to address remaining implementation issues

(not necessarily an exhaustive list)

Public Purpose Charge (Section 27)

- “Constructing and operating” language amending ORS 757.612(3)(b)(B), funding for renewable resources

Above-Market Costs (Section 13(2))

- Revise above-market cost definition in OAR 860-038-0005(1)

Electricity Service Suppliers (Section 9)

- Procedures for implementation of renewable portfolio standards for electricity service suppliers

Implementation Plan (Section 11)

- Contents
- Filing and review timelines
- Acknowledgment procedures, including provision for public comment
- Integration with Integrated Resource Planning guidelines
- Procedures that will be used by the electric company to determine whether costs of constructing a facility that generates electricity from a renewable energy source, or the costs of acquiring 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 with a renewable portfolio standard
- Methodology for determining the annual revenue requirement of an electric company and an electricity service supplier (to be established by July 1, 2008)
- Limits on the incremental cost of compliance with the renewable portfolio standard for electricity service suppliers that are the equivalent to the cost limits applicable to the electric companies that serve the territories in which the 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

#### Use, Transfer and Banking of Certificates (Section 16)

- Reporting requirements
- Method for demonstrating that a renewable energy certificate used to comply with a renewable portfolio standard is derived from an eligible renewable energy source and that the utility or supplier has not used, traded, sold or otherwise transferred the certificate

#### 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

#### **Oregon Department of Energy to determine:**

- System of Renewable Energy Certificates (RECs) to comply with standard
- New eligible resources over time