

**DEPARTMENT OF ENERGY
DIVISION 160**

**ESTABLISH A RENEWABLE ENERGY CERTIFICATE SYSTEM
FOR THE OREGON
RENEWABLE PORTFOLIO STANDARD (RPS)**

330-160-0015

Definitions

For the purposes of Oregon Administrative Rules, Chapter 330, Division 160, the following definitions apply unless the context requires otherwise:

- (1) “Banked Renewable Energy Certificate” has the meaning in ORS 469A.005.
- (2) “Bundled Renewable Energy Certificate” has the meaning in ORS 469A.005.
- (3) “Compliance Year” has the meaning in ORS 469A.005.
- (4) “Department” means the Oregon Department of Energy.
- (5) "Director" means the Director of the Oregon Department of Energy.
- (6) “Electricity Service Supplier” has the meaning in ORS 469A.005.
- (7) “Electric Utility” means an electric company or consumer-owned utility that is engaged in the business of distributing electricity to retail electricity consumers in this state.
- (8) “Qualifying Electricity” has the meaning in ORS 469A.005.
- (9) “Renewable Energy Certificate” (REC or Certificate) means a unique representation of the environmental, economic, and social benefits associated with the generation of electricity from renewable energy sources that produce Qualifying Electricity. One Certificate is created in association with the generation of one MegaWatt-hour (MWh) of Qualifying Electricity. While a Certificate is always directly associated with the generation of one MWh of electricity, transactions for Certificates may be conducted independently of transactions for the associated electricity.
- (10) “Renewable Energy Source” has the meaning in ORS 469A.005.
- (11) “RPS” means the Oregon renewable portfolio standard as established in ORS 469A.
- (12) “Stranded electricity” means qualifying electricity that:
 - (a) was generated between January 1, 2007 and the effective date of these rules by a generating unit that was registered in WREGIS on or before the effective date of these rules and;

(b) is not associated with a WREGIS-issued renewable energy certificate and;

(c) was reported to the Department on or before March 11, 2011.

(13) “Unbundled Renewable Energy Certificate” has the meaning in ORS 469A.005.

(14) “Vintage” means the month and year that qualifying electricity was created in accordance with WREGIS protocol or an interim tracking system approved by the Department pursuant to OAR 330-160-0020(4).

(15) "WREGIS" means the Western Renewable Energy Generation Information System, which is the renewable energy certificate tracking and reporting system established by the California Energy Commission and the Western Governors Association and governed by the Western Electricity Coordinating Council for use by states and provinces throughout the western power interconnection.

330-160-0020

Establishment of Renewable Energy Certificate System

- (1) Except as otherwise provided in OAR 330-160-0030(4), renewable energy certificates that are issued, monitored, accounted for and transferred by or through the regional renewable energy certificate system and trading mechanism known as the Western Renewable Energy Generation Information System (WREGIS) shall be the only renewable energy certificates that can be used by an electric utility or electricity service supplier to establish compliance with the Oregon Renewable Portfolio Standard (RPS).
- (2) All entities that wish to demonstrate compliance or participate in the renewable energy certificate system associated with the Oregon RPS must establish and maintain accounts in good standing with the WREGIS renewable energy certificate system. These entities must comply with all information, data reporting and verification requirements of WREGIS and the WREGIS Operating Rules, including costs required for compliance. These accounts must be established before January 1, 2009 or before the earliest vintage of Certificate to be used to comply with the Oregon RPS, whichever is later.
- (3) All entities that wish to demonstrate compliance or participate in the renewable energy certificate system associated with the Oregon RPS must participate in the system in accordance with the WREGIS Operating Rules, except as otherwise provided in 330-160-0030(4). The Operating Rules for WREGIS are publicly available from the WREGIS web site at www.wregis.org under the "Operating Rules" section. If there are substantial changes to the WREGIS Operating Rules which, at the Director’s discretion, may significantly impact the ability of the WREGIS renewable energy certificate system to facilitate the Oregon RPS the Director may, after public consultation with interested parties, implement rulemaking to address those concerns.

- (4) If, by July 1, 2011, the Department determines that the WREGIS system cannot be used to retroactively create renewable energy certificates for each megawatt hour of stranded electricity, the Department will establish an interim tracking system for the singular purpose of ensuring that stranded electricity can be used to comply with the Oregon RPS. The interim tracking system will issue, monitor, account for and permit transfer of renewable energy certificates associated with stranded electricity for the purposes of compliance with the Oregon RPS. Renewable energy certificates created by the interim tracking system may be used to establish compliance with the Oregon RPS to the same extent as renewable energy certificates issued by WREGIS.
- (a) To be eligible for the interim tracking system, an electric utility, electricity service supplier, or generator must electronically provide the Department the following information:
- (i) Generation data, including metering data, identical to that required by WREGIS; and
 - (ii) Attestation from an officer of the electric utility, electricity service supplier, or generator stating that the information being provided pursuant to 330-160-0020(4) is true and accurate to the best of their knowledge; and
 - (iii) Additional information requested by the Department necessary to process a generating unit's stranded electricity in the interim tracking system.
- (b) The Department may conduct verification audits for all stranded electricity issued RECs through the interim tracking system or may designate an independent third party for verification services. Any electric utility, electricity service provider or generator that has participated in the interim tracking system is subject to these verifications.

330-160-0025

Types of Renewable Energy Certificates

- (1) A bundled or unbundled renewable energy certificate may be used to comply with the RPS when it is issued through the WREGIS renewable energy certificate system or a Department approved interim tracking system pursuant to OAR 330-160-0020(4), , and is otherwise consistent with the rules and requirements of the Oregon RPS. The Department will identify those generating facilities eligible for creation of Certificates that can be used to satisfy the Oregon RPS.
- (2) Each bundled renewable energy certificate used to comply with the RPS must be supported by documentation demonstrating that one megawatt-hour of electricity that was associated with the bundled renewable energy certificate was delivered to the Bonneville Power Administration, to the transmission system of an electric utility or to another delivery point designated by an electric utility for the purpose of subsequent delivery to the electric utility.
- (3) To demonstrate that a renewable energy certificate is bundled under Subsection (2) of this rule, an electric utility must either:

- (a) Electronically affix to the certificate a valid North American Electric Reliability Corporation (NERC) electronic tagging number (“e-Tag”) or another unique identifier adopted by WREGIS or the Department, which demonstrates that one megawatt hour of electricity was delivered to a point described in Subsection (2) of this rule; or
- (b) In a manner prescribed by the Department, submit documentation to the Department demonstrating that:
 - (i) The renewable energy certificate for the qualifying electricity was acquired by an electric utility or electricity service supplier by a trade, purchase or other transfer of electricity that includes the certificate that was issued for the electricity; or by an electric utility by generation of the electricity for which the certificate was issued; and
 - (ii) The qualifying electricity associated with the bundled renewable energy certificate was initially delivered to a point described in Subsection (2) of this rule.
- (4) An electric utility required to demonstrate compliance with the RPS through the use of bundled renewable energy certificates, and which demonstrates that a renewable energy certificate is bundled pursuant to 330-160-0025(3)(b), may be required to electronically affix to that certificate a unique identifier adopted by WREGIS or the Department.
- (5) The Department may conduct verification audits or may designate a third party for verification services to review any documentation submitted under Subsection (3) of this rule for purposes of verifying compliance with the RPS.
- (6) A bundled renewable energy certificate does not need to demonstrate that the electricity identified by the NERC e-Tag is qualifying electricity or that the originating source identified by the NERC e-Tag is a renewable energy source.

330-160-0030

Allowed Vintage of Renewable Energy Certificates

- (1) The system of renewable energy certificates established through this rule may be used to comply with or participate in the Oregon RPS through the use of Certificates with a vintage of January 2007 or later.
- (2) No renewable energy certificate that derives from the WREGIS renewable energy certificate system or from a Department approved interim tracking system pursuant to OAR 330-160-0020(4) with a vintage before January 2007 will be eligible for compliance with the Oregon RPS.

- (3) Banked renewable energy certificates with a vintage of January 2007 or later, both bundled and unbundled, may be held for future use within the WREGIS renewable energy certificate system or a Department approved interim tracking system pursuant to OAR 330-160-0020(4) to comply with the Oregon RPS.
- (4) Generating facilities that produce qualifying electricity shall be eligible to receive certificates associated with generation beginning on January 1, 2007.

330-160-0050

Hydroelectric Facility Upgrades

- (1) Efficiency upgrades from an Oregon RPS qualifying hydroelectric facility, refers to additional incremental qualifying electricity production at an existing hydroelectric facility due to upgrades to existing generators, turbines and other Department-approved equipment changes. Efficiency upgrades do not include increased generation achieved through increased impoundments or increased appropriation or diversions of water.
- (2) The Department will determine the eligibility of incremental hydroelectric power production at an existing hydroelectric facility for purposes of Oregon RPS compliance.
 - (a) Eligibility may not be based on any operational changes at the facility that are not directly associated with efficiency upgrades as defined in Subsection (1) of this rule.
 - (b) The determination of the percentage increase in the efficiency of hydroelectric power production as described in Subsection (1) of this rule shall be based on the best available evidence, including but not limited to, representations by the Federal Energy Regulatory Commission or, for federal projects, by the authorized power marketing agency or agencies with jurisdiction over the federal projects.
 - (c) The annual electricity production eligible for RPS-eligible renewable energy certificates is the annual hydroelectric power production at the facility multiplied by the percentage increase in efficiency from subsection (b) of this subsection.
- (3) Capacity upgrades to a hydroelectric project are not eligible under ORS 469A.025(4)(b) for the Oregon RPS. Capacity upgrades to a hydroelectric project include any increase in generating capacity other than an increase from an efficiency upgrade.