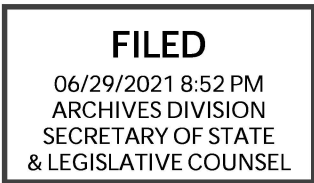




PERMANENT ADMINISTRATIVE ORDER

PUC 6-2021
CHAPTER 860
PUBLIC UTILITY COMMISSION



FILING CAPTION: Rulemaking regarding the Use of Renewable Energy Certificates for Compliance with the Renewable Portfolio Standard

EFFECTIVE DATE: 06/30/2021

AGENCY APPROVED DATE: 06/15/2021

CONTACT: Diane Davis
971-375-5082
diane.davis@puc.oregon.gov

PO Box 1088
Salem, OR 97308

Filed By:
Diane Davis
Rules Coordinator

AMEND: 860-083-0300

RULE TITLE: Compliance Standards

NOTICE FILED DATE: 03/29/2021

RULE SUMMARY: The rule amendments align OAR 860-083-0300 with statutory requirements in ORS 659A.140 and ORS 659A.150, as amended by 2016 Chapter 28, Oregon Laws (SB 1547), and to clarify the application of the term "banked" Renewable Energy Certificates (RECs).

RULE TEXT:

- (1) Each electricity service supplier subject to ORS 469A.065 must meet the requirements of 469A.052 unless a limit specified in section (2) or section (3) of this rule applies.
- (2)(a) The cost limit under ORS 469A.100(6) for an electricity service supplier means four percent of the weighted average of the average retail revenues per megawatt-hour of the electric companies subject to 469A.052 in whose service areas the electricity service supplier sells electricity. The weights are the retail sales in megawatt-hours by the electricity service supplier in the service areas of electric companies subject to 469A.052 for a compliance year.
- (b) If the average cost of compliance per megawatt-hour for an electricity service supplier subject to ORS 469A.065 exceeds the cost limit for a compliance year, the electricity service supplier is not required to incur additional costs to meet section (1) of this rule.
- (3)(a) An electric company or an electric service supplier is not required to meet the renewable portfolio standards during each compliance year to the extent that:
 - (A) For the electric company, the total cost of compliance to meet the renewable portfolio standard exceeds the cost limit in ORS 469A.100(1); and
 - (B) For the electricity service supplier, the average cost of compliance exceeds the cost limit in section (2) of this rule.
- (b) In determining compliance with the applicable renewable portfolio standard in ORS 469A.052 or 469A.065 and the applicable cost limits under 469A.100(1) and 469A.100(6), the following apply:
 - (A) For the purposes of this rule, banked renewable energy certificates do not include a renewable energy certificate generated or acquired in the same calendar year as the compliance year for which its use is attributed.
 - (B) Subject to the Commission's review under ORS 469A.170, an electric company or electricity service supplier may

elect to use alternative compliance payments to comply with the applicable renewable portfolio standard. The Commission may also require an electric company or electricity service supplier to use alternative compliance payments to comply with the applicable renewable portfolio standard if the alternative compliance payments would not cause the electric company or electric service supplier to exceed the applicable cost limits in ORS 469A.100(1) and 469A.100(6).

(C) Subject to the limitations under ORS 469A.145 and the cost limit under 469A.100, if the banked renewable energy certificates each electric company or electricity service supplier uses are not sufficient to achieve compliance with the applicable renewable portfolio standard, the electric company or electricity service supplier must use renewable energy certificates issued or acquired in the compliance year or between January 1 through March 31 of the year following the compliance year, or make an alternative compliance payment, up to the amount required for compliance with the applicable standard. Bundled renewable energy certificates must be used in chronological order from first issued to last issued.

(D) If the total cost of compliance exceeds the cost limit under ORS 469A.100, the electric company or electricity service supplier is not required to use additional renewable energy certificates or make an alternative compliance payment to meet the applicable standard.

(c) The costs of renewable energy certificates used to determine whether the cost limit has been reached must be from the applicable compliance report.

(4) For purposes of this rule, the electric company's multi-state allocation of renewable energy certificates shall be informed by the most recent inter-jurisdictional allocation protocol adopted by the Commission.

STATUTORY/OTHER AUTHORITY: ORS 756.040, ORS 757.659, ORS 469A.065

STATUTES/OTHER IMPLEMENTED: ORS 469A.050, ORS 469A.052, ORS 469A.065, ORS 469A.070, ORS 469A.100, ORS 469A.140, ORS 469A.145