

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1697

In the Matter of

NOBLE AMERICAS ENERGY
SOLUTIONS

2013 Renewable Portfolio Standard
Compliance Report.

STAFF'S COMMENTS

Introduction

Oregon Administrative Rule (OAR) 860-083-0350 requires that each electric company subject to Oregon's Renewable Portfolio Standard (RPS) provide an annual report demonstrating its compliance with the RPS standard.

Among other reporting details, the Compliance Report must contain a complete accounting of renewable energy certificates (RECs) used for compliance in the compliance year, separating the RECs into bundled or unbundled, and showing clearly which generating unit produced the RECs.

An electric company may be considered in compliance with the RPS if they provide a complete Compliance Report and satisfactorily show they have acquired and retired an appropriate number of valid RECs for the compliance year.¹

These comments reflect Staff's response to Noble Americas Energy Solutions (NAES) 2013 RPS Compliance Report.

Background

As part of the Oregon Renewable Energy Act of 2007 (Oregon Senate Bill 838), the state of Oregon established a renewable portfolio standard for electric utilities and retail electricity suppliers. The RPS establishes renewable energy goals for the state's public power utilities based on the total retail sales of the utility (or Electric Service Supplier (ESS)).

¹ OAR 860-083-0350 (1)(a)

As an ESS, NAES must meet the requirements of the RPS that apply to the electric utilities that serve the territories serviced by NAES. NAES serves customers in the territories of Pacific Power (PAC) and Portland General Electric (PGE).

Both PAC and PGE are subject to the same annual RPS targets under Oregon Revised Statute (ORS) 469A.052 – these RPS targets are shown in the table below:

Year	RPS Target (% of retail load)
2011-2014	5%
2015-2019	15%
2020-2024	20%
2025 and beyond	25%

RPS Compliance and Renewable Energy Credits

RPS compliance must be demonstrated through the retirement of RECs which are maintained through the Western Renewable Energy Generation Information System (WREGIS). RECs may be either bundled with energy or exchanged separately (unbundled). One REC is issued per megawatt-hour (MWh) of generation produced.

For the compliance year 2013, NAES must meet its RPS target through the retirement of RECs equal to five percent of its retail load.

There are two mechanisms that serve as cost protections for Oregon consumers--an alternative compliance payment (ACP) mechanism and a cost cap on RPS expenditures equal to four percent of the weighted average of the average retail revenues per MWh of the electric companies in whose service areas the ESS sells electricity.²

Alternatively, an electric company or electricity service supplier may elect or the Commission may require them to use alternative compliance payments to comply with the applicable renewable portfolio standard as long as 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).³

NAES's 2013 Compliance Report

NAES has fully satisfied its RPS requirement through the purchase and retirement of unbundled RECs in an amount equal to five percent of its retail electric Oregon load.

The RECs were distributed by state and type as shown below:

² See OAR 860-083-0300(2)(a)

³ See OAR 860-083-0300(3)(b)(A)

Location	Resource Type	Vintage Year	% RPS Compliance
WA	Wind	2008	39.7
ID	Wind	2008	16.7
OR	Wind	2008	43.6

NAES did not pay any alternative compliance payment of any amount. The cost of compliance was well below the cost cap defined in OAR 860-083-0300(2)(a).

Staff finds no compliance issues with NAES's 2013 RPS Compliance Report. Staff will review all comments that will be filed by interested persons and any responses that NAES may file. Staff will submit a report with its final recommendations for the Commission's consideration at a future public meeting.

This concludes Staff's comments.

Dated at Salem, Oregon, this 15th of August, 2014.



John Crider
Senior Utility Analyst
Energy Resources and Planning

CERTIFICATE OF SERVICE

UM 1697

I certify that I have, this day, served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-001-0180, to the following parties or attorneys of parties.

Dated this 15th day of August, 2014 at Salem, Oregon



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UM 1697
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