

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1738

In the Matter of

CONSTELLATION NEWENERGY, INC

2014 Renewable Portfolio Standard Compliance
Report.

STAFF COMMENTS

Introduction

These comments reflect Staff's response to Constellation NewEnergy, Inc. (Constellation)'s 2014 RPS Compliance Report.

Pertinent statutes and rules

Oregon Administrative Rule (OAR) 860-083-0350(1)(a) requires that each electric company subject to Oregon's Renewable Portfolio Standard (RPS) provide an annual compliance report (Compliance Report) demonstrating its compliance, or explaining in detail its failure to comply with the RPS.

Among other reporting details required by OAR 860-083-0350(2)(a-s), 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, showing clearly which generating unit produced the RECs, the total cost of compliance, and a detailed explanation of any material deviations from the electric company's applicable acknowledged implementation plan filed under OAR 860-083-0400.

OAR 860-083-0350(2)(b-g) specifically states that 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, bundled or unbundled, banked or unbanked, for the compliance year.

The ORS provides that "electric utilities are not required to comply with a renewable portfolio standard during a compliance year to the extent that the incremental cost of compliance, the cost of unbundled renewable energy certificates and the cost of alternative compliance payments under ORS 469A.180 (Electric companies) exceeds four percent of the utility's annual revenue requirement for the compliance year." See ORS § 469A.100(1).

Background

As part of the Oregon Renewable Energy Act of 2007 (Oregon Senate Bill 838), the state of Oregon established a RPS for electric utilities and retail electricity suppliers. Under the law, Oregon large utilities must deliver a percentage of their electricity from eligible renewable resources. 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)).

These renewable energy goals are codified in ORS 469A.052. Under this statute, utilities that supply three percent or more of the state's total retail load must ensure that a certain percentage of the electric energy sold to retail customers within the state of Oregon is derived from eligible renewable energy resources. For those utilities meeting the retail load criteria, the specific annual RPS targets are shown below:

RPS Class	Share of State Sales	Affected Utilities and Electric Service Suppliers (ESS)	Standard By Year			
			2011-2014	2015-2019	2020-2024	2025 and beyond
Large Utilities	> 3%	Eugene Water & Electric Pacific Power Portland General Electric	5%	15%	20%	25%
Smaller Utilities	1.5% ≤ share < 3%	No Investor-Owned Electric Utility or ESS	No RPS Obligations			10%
Smallest Utilities	< 1.5%	Idaho Power Company	No RPS Obligations			5%
ESS	Any	All	Same RPS Obligations as the distribution utility in the same service territory.			

As an ESS, Constellation must meet the requirements of the RPS that apply to the electric utilities that serve the territories serviced by Constellation. Constellation 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:

RPS Class	Share of State Sales	Affected Utilities and Electric Service Suppliers (ESS)	Standard By Year			
			2011-2014	2015-2019	2020-2024	2025 and beyond
Large Utilities	> 3%	Constellation NewEnergy, Inc. Eugene Water & Electric Pacific Power Portland General Electric	5%	15%	20%	25%

The energy sources that qualify as RPS-eligible renewable resources are defined by ORS 469A.020-025. These sources include electricity generated from solar, wind, hydropower, ocean thermal, wave and tidal power, geothermal, hydrogen using anhydrous ammonia derived from certain renewable sources, municipal solid waste, and biomass, including biogas. Eligible resources must be located within the Western Electricity Coordinating Council (WECC) territory or must be designated "environmentally preferable" by the Bonneville Power Administration (BPA).

To qualify as an eligible renewable resource, electricity must be generated by a facility that became operational on or after January 1, 1995. However, incremental energy delivered from facilities operational before January 1, 1995, that is attributable to efficiency upgrades performed on or after January 1, 1995, also is considered a qualifying resource.

Constellation's 2014 Compliance Report

For the compliance year 2014, Constellation must meet its RPS target through the retirement of RECs equal to five percent of its retail load or provide an alternative compliance payment.

Conclusion

Constellation reports that it served no retail load to Oregon customers in 2014 and, as such, has no responsive data to submit and no RPS target to meet. Staff finds no compliance issues with Constellation's 2014 RPS Compliance Report.

This concludes Staff's comments.

Dated at Salem, Oregon, this 15th of July, 2015.



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