

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

AR 610

In the Matter of
Rulemaking Related to Incremental Cost of
RPS Compliance

STAFF REQUESTS COMMENT FROM
STAKEHOLDERS

Staff of the Public Utility Commission of Oregon (PUC Staff or Staff) seeks input from stakeholders to help inform upcoming, Staff-led webinar on May 14. The two primary objectives of this rulemaking are to: 1) update RPS rules related to the total and incremental cost of compliance calculations and 2) address the proper steps if the RPS cost cap is forecasted to be reached, or is reached, by a utility.

To prepare for the workshop, Staff requests that stakeholders review and answer the following questions. Answers to these questions will allow Staff to prepare analysis to facilitate an informed discussion of the available options.

Staff requests that stakeholders submit responses to these questions by April 10, 2020. All comments should be submitted to the Commission's Filing Center at puc.filingcenter@state.or.us. If you prefer not to comment on a particular question, please respond that you are choosing not to take a position on that issue at this time.

Dated this 27th day of March 2020, Salem, Oregon.

/s/ Natascha Smith

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Incremental Cost of RPS Compliance (AR 610)

Background

Comments from Stakeholders on the AR 610 docket indicate that there are many options for calculating the incremental cost of compliance with the RPS statute. One of the primary decisions for this docket is when to count the cost of RECs. Stakeholder comments suggest the following options are available:

- a) Counting REC cost at Retirement (Retire most expensive RECs first)
- b) Counting REC cost at the time of generation
- c) Counting REC cost at the time of generation, not including RECs sold
- d) Counting REC cost at the time of generation, minus revenue from REC sales (Sell most expensive RECs first and retire the least expensive RECs.)
- e) Counting REC cost at time of generation, minus revenue from REC sales, with active cost management. (Use the 20% limit of unbundled RECs and sell all other RECs generated.)

Questions for Stakeholders

- 1) Are there any additional options for calculating incremental cost that Staff should consider? What legal or policy reasons support your position?
- 2) Should AR 610 include rules or standards for assessing REC bank management? What legal or policy reasons support your position?
- 3) Are there any RECs that should not be included in the compliance calculation? If so, please identify these and explain why.

Assume REC costs are included in the incremental and total cost calculations in the year of generation.

- 4) Is this appropriate? Is it feasible?
- 5) Are there alternatives that are also feasible and/or more appropriate? If not, why not?
- 6) What should happen to the existing bank of RECs once the new method of calculating cost is implemented? Should RECs being retired from the existing REC bank be accounted for in the total cost and/or incremental cost calculation? If so, how? If not, why?

Assume that REC Sales are subtracted from the total cost of compliance.

- 7) Is this appropriate? Is it feasible?
- 8) Are there alternatives that are also feasible and/or more appropriate? If not, why not?