

**BEFORE THE PUBLIC UTILITY COMMISSION**  
**OF OREGON**

AR 617

In the Matter of  
Rulemaking Related to Renewable Energy  
Certificates

STAFF WORKSHOP AGENDA AND  
ISSUES LIST

The Public Utility Commission of Oregon will hold a Staff workshop in this docket as follows:

**DATE:** December 11, 2019

**TIME:** 9am to 12pm

**LOCATION:** Oregon Public Utility Commission  
201 High Street SE, Commission Hearing Room  
Salem, OR 97301-3398

The following conference call line has also been established:

Phone Number: (866) 390-1828, Access Code: 2252868#

Commission Order No. 18-128 established four tracks to address a broad range of outstanding Renewable Portfolio Standard (RPS) rulemaking issues:

- AR 610: Incremental Cost of RPS Compliance
- AR 616: RPS Planning Process and Reports
- AR 617: Renewable Energy Certificates (RECs)
- AR 636: ESS Use of Unbundled RECs

The informal portion of these three rulemakings has been paused for several months. Staff will be restarting AR 610 and AR 616 in 2020, and AR 636 is currently in process. In the meantime, Staff finds that it can continue progress on RPS issues by launching the informal rulemaking process for AR 617 in December 2019.

Staff is holding this stakeholder workshop to 1) finalize the scope of issues that will be addressed in the AR 617 rulemaking; and 2) initiate discussion of the issues to inform Staff's development of a straw proposal and schedule for the rulemaking.

1. Introductions (9am)
2. Background (9:15 – 9:45am)
  - a. Changes from SB 1547
  - b. Scope of AR 610, AR 616 and AR 636
3. Known Renewable Energy Certificate (REC) Scope Development (9:45m – 10:45am)
  - a. “First In First Out”
  - b. REC Expiration
  - c. Banked REC Definition
4. Break (10:45am – 11am)
5. Scope Development (11am – 11:45am)
  - a. Unbundled RECs / Multi-State
  - b. Additional Issues Not Covered in Other Dockets?
6. Next Steps (11:45am – 12pm)
  - a. Schedule

### Issues List for Discussion

1. REC Banking
  - a. First in, first out: SB 1547 §7 removed the requirement in ORS 469A.140 that utilities use banked RECs in order from first issued to last issued, and established new guidelines for the eligible life of different types of banked RECs. Oregon OAR 860-083-0300(3)(b)(B) still states that utilities need to use banked RECs from “first issued to last issued.”
    - i. Staff proposes striking the “first in, first out” language in OAR 860-083-0300(3)(b)(B) to conform with the change to the statute.
    - ii. Staff is concerned about the intergenerational equity and exposure to stranded cost issues associated with an ever-increasing REC bank, and will include language that limits the size of the REC bank.
  - b. Expiring RECs: In the Integrated Resource Planning (IRP) process, utilities have modeled physical compliance prior depletion of the existing REC bank. Are new rules needed to govern the treatment of five-year RECs that are not used before they expire? Examples include:
    - i. Prohibiting sales from the REC bank.
    - ii. Requiring Commission approval for the sale of banked RECs.
  - c. Definition of Banked RECs: ORS 469A.005(2) defines a banked renewable energy certificate as “a bundled or unbundled renewable energy certificate that is not used by an electric utility or electricity service supplier to comply with a renewable portfolio standard in a calendar year, and that is carried forward for the purpose of compliance with a renewable portfolio standard in a subsequent year.” In multiple RPS compliance filings, Staff and the utilities have discussed whether this definition is clear enough, given that RECs used for compliance in a given compliance year are not actually retired until the following calendar year.
    - i. Staff proposes amending the rules to add the following clarification: “For the purposes of this rule, banked renewable energy certificates do not include a renewable energy certificate generated in the same calendar year as the compliance year for which its use is attributed.”

2. Unbundled RECs

- a. ORS 469A.150 directs the Commission to establish a process for allocating the use of RECs by an electric company that makes sales of electricity to retail customers in more than one state. The rules do not currently include this.
  - i. Due to the limitations on the use of unbundled RECs, Staff proposes that additional rules may be needed to establish a REC allocation process for multi-state jurisdictions.
  - ii. Are there any additional suggestions for rules needed?