

<p align="center">SMALL SCALE RENEWABLE ENERGY PROJECT STANDARD</p>	<p>The rules regarding the recently rescinded solar capacity standard are the template for many of these rules.</p>
<p>[Rule 1] Applicability</p> <p>(1) These rules are intended to implement ORS 469A.210.</p> <p>(2) The rules contained in this division apply only to an electric company that makes sales of electricity to 25,000 or more retail electricity customers in this state.</p> <p>(3) Upon request or its own motion, the Commission may waive any of the Division 0XX rules for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission.</p> <p>[Rule 2] Definitions</p> <p>For purposes of this division, unless the context requires otherwise:</p> <p>(1) “Electric company” has the meaning in ORS 757.600.</p> <p>(2) “Environmental attributes” means any and all claims, credits, benefits, emissions, reductions, offsets, and allowances, however entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil, or water.</p>	<p>Many of the divisions in OAR Chapter 860 have an “applicability section.”</p> <p>These definitions will cover rules related to the Standard.</p> <p>The definition of environmental attributes is the definition of EAs used for PURPA implementation in Oregon. Order No. 14-295 (adopting stipulation including definition of EAs).</p>

(3) “Nameplate capacity” means the full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperes, kilowatts, volts, or other appropriate units. Nameplate capacity is usually indicated on a nameplate attached to the individual machine or device.

Stat Auth: ORS 756.060, ORS 469A.200, 469A.210
Stats. Implemented: ORS 469A.210.
Hist: NEW

The definition of nameplate capacity is also taken from Commission’s implementation of PURPA. (Just adopted in AR 593.)

**[Rule 3]
Small Scale Renewable Energy Project Standard**

(1) On or before January 1, 2025, and each year thereafter, at least eight percent of the aggregate electrical capacity of all electric companies that make sales of electricity to 25,000 or more electric customers in this state must be composed of electricity generated by sources that meet the criteria of [Rule 4] and [Rule 5].

(2) Each electric company’s compliance with the standard in Rule 3(1) will be based on the electric company’s own percentage of qualifying eligible resources as compared to the electric company’s forecasted annual peak load for Oregon in megawatts from the electric company’s most recently acknowledged integrated resource plan.

Stat Auth: ORS 756.060, ORS 469A.200, 469A.210
Stats. Implemented: ORS 469A.210.
Hist: NEW

Staff spoke to ODOE about options for measuring the capacity standard for PAC. ODOE reported that the working group that worked on section 14, SB 1547 at the end of the 2016 legislative session concurred with proposal that “system capacity” is equal to the utility’s Oregon peak load for purposes of determining compliance. PAC and PGE were part of this working group, as were representatives from renewable development community.

<p>[Rule 4] Qualifying Projects</p> <p>(1) To qualify for the standard in [Rule 3] energy projects must be located in Oregon, and:</p> <p>(a) Have a nameplate capacity equal to or less than 20 megawatts and generate energy utilizing a type of energy described in ORS 469A.025; or</p> <p>(b) Generate electricity using biomass and generate thermal energy for a secondary purpose.</p> <p>(2) For energy projects that qualify under subsection (1)(b), any of the project’s capacity in excess of 20 megawatts is not eligible for the standard specified in [Rule 3].</p> <p>Stat Auth: ORS 756.060, 469A.200, 469A.210 Stats. Implemented: ORS 469A.200, 469A.210 Hist: New</p>	<p>After conferring with PAC, ODOE used different methods to determine the numerator for the standard, meaning the amount of capacity that PAC has and is forecasted to have that satisfies the standard.</p> <p>The first option ODOE modeled is the nameplate capacity of all of the eligible resources in Pac’s system multiplied by an allocator to represent the portion appropriately allocated to Oregon. I believe ODOE used 25 percent.</p> <p>At PAC’s request, ODOE modeled a second scenario – the nameplate capacity of all eligible resources located in Oregon at 100 percent, not pro-rated. These draft rules use the second option – resources located in Oregon.</p>
<p>[Rule 5] Eligible projects</p> <p>(1) Energy projects that satisfy the criteria of [Rule 4] are eligible to count toward the standard in [Rule 3] as renewable energy projects when the electric company owns or otherwise has the rights to the environmental attributes associated with the energy produced by the energy project during the compliance year. Energy projects that satisfy the criteria of [Rule 4], but for which the subject electric company does not own or otherwise have the rights to the environmental attributes associated with the project’s output during the compliance year, are not eligible to meet the standard in Rule 3.</p>	<p>This draft rule expressly requires the utility to demonstrate it owns or has the rights to the EAs associated with a facility’s output in order to count the facility’s capacity toward the renewable” capacity standard. A utility does not have to own the RECs as long as the utility owns the EAs. For example, a utility could show it has the rights to EAs with a PPA showing that the utility is purchasing the output of a QF at the utility’s renewable avoided cost price for the deficiency period. If it owns a facility it could show it had the rights to the EAs by filing a document attesting to the fact no third party has the rights to the EAs.</p>

<p>(2) Notwithstanding subsection (1) of this rule, to the extent the electric company owns or has the rights to the environmental attributes associated with energy produced by a qualifying project for a period of time during a compliance year, the qualifying renewable energy project is eligible to meet the standard for that same period within the compliance year.</p> <p>(3) If the electric company owns or otherwise has the rights to the environmental attributes for only a portion of the energy generated by the qualifying energy project during the compliance year, a share of the energy project’s capacity that is proportionate to the subject electric company’s interest in the environmental attributes of the energy produced by the renewable energy project is eligible to meet the standard for the compliance year.</p> <p>Stat Auth: ORS 756.060, 469A.200, 469A.210 Stats. Implemented: ORS 469A.200, 469A.210 Hist. NEW</p>	
<p>[Rule 6] Measurement of System Capacity under the Renewable Energy Project Standard</p> <p>Each electric company’s compliance with the standard of [Rule 3] will be measured based on the nameplate capacity of qualifying eligible projects that the electric company owns or contracts to purchase the output of during the year of compliance.</p> <p>Stat Auth: ORS 756.060, 469A.200, 469A.210 Stats. Implemented: ORS 469A.200, 469A.210 Hist: NEW</p>	<p>The compliance report for the RPS is due on February 1. The rule uses this date for compliance with the SSREP standard. The rule is currently written so that the utility shows compliance for the whole year. Compliance is based on forecasted peak load for Oregon and contracted or owned resources for the year.</p>

<p>[Rule 7] Compliance Report</p> <p>(1) No later than February 1, 2025 and no later than February 1 for each year thereafter, each electric company subject to the standard of Rule 3 must file a report with the Commission demonstrating compliance, or explaining in detail any failure to comply, with the standard.</p> <p>(2) The report required in section (1) of this rule must include the following information associated with each owned or contracted qualifying and eligible renewable energy project:</p> <ul style="list-style-type: none"> (a) The name of the facility; (b) The location of the facility; (c) The in-service date of the facility; (d) The manufacturer's nameplate capacity rating; (e) The execution date of any associated power purchase agreement; (f) The contracted capacity and output delivery period of any associated power purchase agreement; (g) The electric company's forecasted peak load in megawatts for Oregon from the company's most recently acknowledged integrated resource plan; and (h) Proof of the electric company's ownership interest in the environmental attributes of the project output during the compliance period. <p>Stat Auth: ORS 756.060, 469A.200, 469A.210 Stats. Implemented: 469A.200, 469A.210 Hist: NEW</p>	<p>This rule is taken from the solar capacity standard rules with the addition of subsection (2)(g) and (h) and some new language in subsection (1) about continuing compliance.</p> <p>Subsection (2)(g) is necessary to establish the denominator. The denominator is the electric company's peak load in Oregon.</p> <p>Subsection (2)(h) is necessary to ensure the capacity meeting the standard is renewable.</p>
---	---

<p>[Rule 8] Cost Recovery</p> <p>An electric company may request recovery of its prudently incurred costs to comply with the standard specified of [Rule 3] in an automatic adjustment clause proceeding filed at the Commission pursuant to ORS 469A.120.</p> <p>Stat Auth: ORS 756.060, 469A.120, 469A.200, 469A.210 Stats. Implemented: ORS 469A.120 Hist: NEW</p>	<p>ORS 469A.120 authorizes costs associated with meeting this standard to be included in the RAC.</p>
<p>[Rule 9] Renewable Energy Certificates and Compliance with the Renewable Portfolio Standards</p> <p>(1) Use of a qualifying project’s capacity to meet the standard of [Rule 3] does not prevent the electric company from using otherwise eligible renewable energy certificates associated with qualifying projects’ output for purposes of meeting a renewable portfolio standard established under ORS 469A.005 to ORS 469A.120 or a voluntary renewable energy tariff during the [Rule 3] standard compliance year.</p> <p>(2) Use of a qualifying project’s capacity to meet the standard of [Rule 3] does not prevent the electric company from banking otherwise eligible renewable energy certificates associated with qualifying projects’ output for purposes of meeting a renewable portfolio standard established under ORS 469A.005 to ORS 469A.120 in a year subsequent to the [Rule 3] standard compliance year.</p> <p>Stat Auth: ORS 756.060, 469A.200, 469A.210 Stats. Implemented: ORS 469A.200, 469A.210</p>	<p>This rule states that the utility can use the RECs associated with resources for compliance with the capacity standard and the RPS.</p> <p>This rule also specifies that utility can bank the RECs for future compliance.</p> <p>These rules do not require that the utility keep the RECs associated with the output of a resource that is used for compliance past the compliance year and does not require the utility to use these RECs to satisfy an Oregon standard.</p>

Hist: NEW	
<p>[Rule 10] Implementation Plans</p> <p>Starting in 2021, each electric company subject to the standard of [Rule 3] must incorporate its plan to achieve or exceed, and maintain, the standard into its renewable portfolio standard implementation plans filed pursuant to OAR 860-083-0400.</p> <p>Stat Auth: ORS 756.060, 469A.200, 469A.210 Stats. Implemented: ORS 469A.200, 469A.210 Hist: NEW</p>	<p>This rule is based on the rule adopted for the Solar Capacity Standard. The only change is to substitute the rule for the SSREP Standard and to delay the requirement until 2021.</p>