

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

AR 495

In the Matter of a Proposed Rulemaking to)
Adopt and Amend Rules Related to Ownership)
of the Non-energy Attributes of Renewable)
Energy (Green Tags), Energy Service Supplier)
Certification Requirements, and Use of the)
Terms "Electric Utility" and "Electric)
Company.")

**COMMENTS OF
RENEWABLE NORTHWEST
PROJECT ON
COMMISSION STAFF
REPORT**

Renewable Northwest Project¹ ("RNP") concurs with the position of Commission Staff on Non-Energy Attributes ("green tags"), as described in the AR495 Staff Report, issued August 2, 2005.² The Staff Report details the need for clarity on the ownership of green tags from net metering and PURPA contracts, and provides reasons for originating ownership of the green tags with generators. RNP appreciates the opportunity to provide these additional comments.

The market for clean, renewable energy has evolved such that the environmental attributes of renewable generation are a "product" separate from the electricity and may be sold independently. PURPA requires utilities to pay qualifying facilities ("QFs") for energy and/or capacity, but is silent on environmental attributes and green tags. Since PURPA contracts do not clearly convey the green tags to the utility, we concur with OPUC staff, that generators maintain ownership of green tags under PURPA and net metering contracts. Generators have the right to convey their green tags to the utility or

¹ RNP is a non-profit renewable energy advocacy organization whose members include environmental and consumer groups, and energy companies.

² RNP does not take a position on housekeeping changes and other issues addressed in that Staff Report.

another entity under separate contract. The additional value that generators realize through the sale of green tags may be critical for them to make a project economic. This additional revenue is also likely to encourage more development of environmentally beneficial renewable projects in the State of Oregon.

RNP is concerned that, under a potential future Renewable Portfolio Standard (“RPS”), utilities will be challenged by the combination of this ruling and earlier legislative requirements related to the administration of public purposes under ORS 757.612(3)(g). We understand the electric companies are not allowed to pay any above-market costs to acquire the green tags from QFs under PURPA contracts. This would eliminate the use of renewable PURPA projects for RPS compliance. RNP believes that AR 495 and/or ORS 757.612(3)(g) would likely need to be revisited if Oregon or the Federal Government institutes an RPS.

DATED: September 20, 2005.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **COMMENTS OF RENEWABLE NORTHWEST PROJECT ON COMMISSION STAFF REPORT** on the following persons on September 21, 2005, by hand-delivering, faxing, e-mailing, or mailing (as indicated below) to each a copy thereof, and if mailed, contained in a sealed envelope, with postage paid, addressed to them at their last-known address shown below and deposited in the post office on said day at Portland, Oregon:

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DATED this 22nd day of September, 2005.

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