

eligible to become a banked renewable energy certificate.” In sum, under the proposed rules, if renewable generation is reported by a utility under the power source disclosure reports required by OAR 860-038-0300(8), then the REC has been “used” and is not available for banking. This is directly contrary to ORS 469A.140. ORS 469A.140, entitled “Use, transfer and banking of certificates”, states:

- (1) Renewable energy certificates may be traded, sold or otherwise transferred.
- (2) Renewable energy certificates that are not used by an electric utility or electricity service supplier to comply with a renewable portfolio standard in a calendar year may be banked and carried forward indefinitely for the purpose of complying with a renewable portfolio standard in a subsequent year.

Under this statute, a power source disclosure is not a use of a REC. The statute specifically provides that a REC “not used . . . to comply with a renewable portfolio standard in a calendar year may be banked. . .” The Commission cannot, by rule, create a new “use” of a REC beyond that provided for in the statute.

II. If Adopted Unchanged, the Proposed Rules Will Cause Utilities to Provide, and Customers to Receive, Confusing and Misleading Information

The proposed rule is not workable or practical. There is a built-in conflict that causes the reporting of power generation to be either inaccurate because renewable generation cannot be reported or to be deemed to have “used” RECs that are intended for RPS compliance through banking provisions of SB 838. Customer rates include the costs of current renewable generation. In fact, there will next year likely be a line-item on PGE customer bills for a Renewable Adjustment Clause, reflecting the costs of certain renewable generating resources. Yet, if this rule is adopted, PGE would be forced to report to customers in its power source disclosure report, no generation from these renewable resources because the RECs will be banked for use for future compliance. This is confusing, at best, to customers, and borders on providing misleading information.

This definition of “use” may also be inconsistent with other reporting requirements of utilities. Does reporting actual wind or solar generation in a PUC or FERC form constitute “use” of a REC? If a customer, or newspaper reporter, asks PGE for the amount of wind generation produced for the year by PGE generating resources, and PGE provides an accurate number, is that “use” of a REC? PGE believes that this cannot be the intent. Customers and agencies want accurate information about renewable generation in order to be informed and make appropriate decisions. That energy content report cannot be equated to, or confused by, how the utility met specific RES requirements.

The proposed definition regarding “use” of REC states at 860-083-0005 (d):

“To use a renewable energy certificate” means to employ, or exercise the rights to, a renewable energy certificate to meet or comply with a legal requirement in Oregon or in any other state, including, but not limited to, power source disclosure reporting under OAR 860-038-0300(8).

This definition is too broad to be meaningful with respect to handling power supply disclosure and expands the scope of the concept of “using” RECs beyond the specific requirements in the SB 838. The definition states that any legal requirement including power disclosure reporting constitutes a “use” of RECs. PGE reports generation from renewable resources in other venues, including renewable resources used to meet RPS standards. Without any limitations or separation of RPS compliance from other reporting requirements, there is a high likelihood that the Company could inadvertently and unknowingly “use” a REC that was intended to be banked for RPS compliance.

Finally, the RPS is a complex, multi-year plan for renewable generation deployment. As such, efforts to force yearly power supply disclosures into the RPS’

multi-year perspective simply create a set of conflicts and complexities that are not needed or helpful. The Commission should not let compliance with one statute drive all communication with customers.

PGE supports what appear to be the individual goals of the proposed rules: (1) describe the use of RECs for RPS compliance, (2) to prevent inappropriate multiple applications of specific RECs to both RPS standards and another renewable energy product that makes an environmental claim, and (3) to provide power supply source disclosures (including portfolio option labeling) to consumers in order to help consumers make informed choices about their choice of electricity suppliers. Unfortunately, the proposed rule inappropriately mixes RPS compliance with power supply source reporting requirements. The appropriate place to address non-RPS supply source reporting is through the rules related to power supply source reporting and Commission-approved formats for the reports.

III. Necessary Revisions to Proposed Rules

The proposed rules should be amended as follows:

860-083-0005(3)(d), and 860-083-0050(3) should be deleted. This would limit the proposed RPS rule to describing how RECs are applied for purposes of RPS compliance. As currently constructed the rule is too broad in its definition of “use” of RECs by incorporating the broad phrases “with a legal requirement in Oregon . . .” (860-083-0005(d)) and “to comply with requirements set forth in its own tariff that is in effect in Oregon . . . not related to an ORS 469A renewable portfolio standard. . .” (860-083-0050(3)).

PGE appreciates the opportunity to provide these comments.

DATED this 9th day of January, 2009.

Respectfully submitted,

/s/ DOUGLAS C. TINGEY

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January 9, 2009

Via Electronic Filing and U.S. Mail

Oregon Public Utility Commission

Attention: FILING CENTER

550 Capitol Street NE, #215

PO Box 2148

Salem OR 97308-2148

Re: AR 518 – COMMENTS OF PORTLAND GENERAL ELECTRIC COMPANY

Attn Filing Center:

Attached please find COMMENTS OF PORTLAND GENERAL ELECTRIC COMPANY to be filed in docket AR 518 today.

Please stamp the extra copy of this letter and return it in the self-addressed envelope provided.

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "DCT", is written over a faint, larger version of the signature.

DOUGLAS C. TINGEY

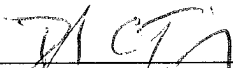
DCT: JBF

Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **COMMENTS OF PORTLAND GENERAL ELECTRIC** to be served by electronic mail to those parties whose email addresses appear on the attached service list, and by First Class US Mail, postage prepaid and properly addressed, to those parties on the attached service list who have not waived paper service from OPUC Docket No. AR 518.

Dated at Portland, Oregon, this 9th day of January, 2009.



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