**Bench Request Data Request 4**

The Company makes a “correction” to Commission Staff’s imputation of small hydro Renewable Energy Credit (REC) revenues. (Dalley, Exh. No. RBD-28CT at 15:7-14). The dollar amount of the Company’s “correction” is reflected in Dalley, Exh. No. RBD-29C at 7.

a. Please identify the inputs and provide the calculation used to derive the dollar amount reflected in Dalley, Exh. No. RBD-29C at 7.

b. For the calculation of non-Washington eligible RECs, please explain the rationale for grouping (or not grouping) non-Washington eligible small hydro RECs with other non-Washington eligible RECs.

**Response to Bench Request Data Request 4**

1. Please refer to Confidential Attachment Bench Request 4 for the workpapers used to derive the correction values shown at Exhibit No.\_\_\_(RBD-29C) at 7.
2. As shown on page 1, line 7 of Exhibit No.\_\_\_(RBD-29C), the Company’s calculation of Washington’s allocated share of Washington non-eligible REC revenues includes all RECs generated from Washington non-eligible renewable resources in the west control area. Excluding certain non-eligible resources would not provide a full perspective of all REC transactions (generated, held/ banked, or sold) during the respective periods.

Staff’s non-eligible calculation includes only RECs from Washington non-eligible resources that were sold during 2009 or 2010. Staff’s approach incorrectly assumes that there will never be a market in which to sell the RECs from the other resources. Using Staff’s approach, the resources used in the calculation could change each year depending on which RECs were sold by the Company. This would potentially mean that some resources would be included in the non-eligible calculation in some years and excluded in others. The Company’s approach avoids this problem by including all Washington non-eligible RECs in the west control area in the calculation for each year.

Confidential information is provided subject to the terms and conditions of the protective order in this proceeding.

PREPARER: R. Bryce Dalley / Stacey J. Kusters

SPONSOR: R. Bryce Dalley / Stacey J. Kusters