**Bench Request Data Request 8**

Commission Staff’s Exhibit, Breda, Exh. No. KHB-8C at 1:20 calculates “Wind RECs Held for Compliance in Oregon and California” based on a Company response to a Data Request.

For *each time period* (except January – March 2011) listed in Dalley, Exh. No. RBD-27C at 2, please explain how to impute revenues for Washington’s WCA RECs held for compliance in Oregon and California which either were retired or are to be retired.

**Response to Bench Request Data Request 8**

Staff’s calculation of imputed revenue for RECs held for compliance in California and Oregon has been done for 2009 and 2010 only. This calculation, as described by Staff witness Kathryn H. Breda in Exhibit No.\_\_\_(KHB-7TC) takes the number of RECs held for compliance in California and Oregon and multiplies the total by the percentage of actual RECs sold by the Company. The product of this calculation is then multiplied by an average price per REC. That total is then multiplied by the Washington control area generation west (CAGW) allocation factor to determine Washington’s share of the imputed revenues. The imputed revenues are then added to Washington’s allocation of booked revenues to determine Washington’s total REC revenue allocation.

Beginning in January 2011, eligible RECs generated in the west control area can be used to satisfy the January 1, 2012 Washington renewable portfolio standard (RPS) requirement. This means the Company will be holding California, Oregon, and Washington RECs for compliance.

Because of this additional complexity, the Company’s proposal for 2011 forward as outlined in Exhibit No.\_\_\_(RBD-27C) accounts for RECs held for compliance in a different manner than Staff’s proposal for 2009 and 2010. Staff has not explained how its approach for 2009 and 2010 could be applied to 2011 and beyond so the Company is unable to apply Staff’s method to these time periods. The Company’s proposal for 2011 forward is generally consistent with approach presented by Public Counsel/ICNU in its calculation of 2009 and 2010 revenues, with the exception of the corrections discussed in the phase II rebuttal testimony of Company witness R. Bryce Dalley.

The Company’s proposal calculates Washington’s share of revenues by using Washington’s full CAGW share of RECs generated from west control area resources less the number of RECs held for Washington compliance. As a result, RECs held for compliance in other states do not effect Washington’s allocation of REC revenue. Washington’s allocation of RECs not used to comply with the Washington RPS (page 2, line 19) are multiplied by the percentage of actual RECs sold (page 2, line 22). This total is then multiplied by an average price (page 2, line 25) to determine Washington total share of revenues (page 2, line 26). This method is used for all time periods shown in Exhibit No.\_\_\_(RBD-27C).

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