



CRS

center for
resource
solutions

October 19, 2011

David Danner
Executive Director
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

RE: Petition for a declaratory order regarding the extra credits for apprentice labor provision of RCW 19.285.0404(2)(h), Docket U-111663

Dear Mr. Danner:

The Center for Resource Solutions (CRS) appreciates the opportunity to comment on Docket U-111663. CRS is a nonprofit organization that creates policy and market solutions to advance sustainable energy and mitigate climate change. CRS administers Green-e® Energy, the nation's leading independent certification and verification consumer protection program for renewable energy sold in the voluntary market. Green-e Energy certifies and verifies over two thirds of the U.S. voluntary renewable energy market and an even higher proportion of U.S. voluntary renewable energy certificate (REC) sales. CRS' role in this market is to protect the voluntary consumer against double counting and false claims, and ensure the purchaser of renewable energy that they are receiving all of the attributes of renewable energy generation that they were promised.

The cornerstone of the Green-e Energy program is the prevention of double claims of renewable energy and renewable energy attributes. Renewable energy attributes include not only the environmental attributes, but the social attributes of renewable energy generation as well.^{1,2} For RECs used in Green-e Energy certified products, the Green-e Energy National Standard requires that they are fully aggregated, and that none of these attributes of renewable energy generation have been stripped, sold separately, or double counted.

Puget Sound Energy's (PSE) petition to bifurcate the apprentice labor multiplier from the REC would directly result in the double counting of renewable energy attributes if the REC were sold into the voluntary market, or to meet another state's RPS, and the multiplier was claimed by a utility in Washington using it for RPS compliance. While PSE argues "the extra apprenticeship credit is not a REC or an attribute that accompanies a REC," it is in fact a benefit of renewable energy generation, and as such needs to remain with the REC in order to prevent a double claiming of attributes from a single megawatt-hour (MWh). PSE also argues that the "extra apprenticeship credit is not an environmentally related characteristic" so it does not need to stay

¹ U.S. Environmental Protection Agency (EPA), Green Power Partnership, *Renewable Energy Certificates*
<http://www.epa.gov/greenpower/gpmarket/rec.htm>

² Green-e Energy Code of Conduct, found at http://green-e.org/getcert_re_stan.shtml#coccdr

with the REC. However, in the voluntary market, all characteristics of renewable energy generation, including the social and any other non-power attributes, must be included with the REC. Also, since the multiplier can be used in place of a similar number of RECs to meet the state's RPS, the apprentice labor multipliers are receiving credit like RECs do, and as such they do have a tie into renewable energy markets.

Michigan expressly created a multiplier as a compliance instrument called the Incentive Renewable Energy Credits (IREC). IRECs are different types of credits given to renewable electricity generators, in addition to a REC, for the use of different technologies and in-state labor and equipment. For example, an additional 1/10 credit is given for each MWh of electricity from a renewable energy system constructed using a workforce composed of residents of the state. Green-e Energy considers that Michigan RECs sold in the voluntary market are double claimed if the IRECs that were generated alongside the RECs are used for Michigan RPS compliance or otherwise not included with the REC, since both the RPS obligated entity and the buyer of the REC were claiming the benefits of an individual renewable MWh.³ Green-e Energy rules state that in order to prevent this double counting, it is required that "for any MWh of generation from Michigan renewable energy facilities, both RECs and a quantity of IRECs equivalent to those IRECs generated with the RECs are retired."⁴

While this issue was resolved by requiring the retirement of IRECs in Michigan, a solution for bifurcated multipliers is not as straightforward for the Washington apprentice labor multipliers. There is a mechanism to both issue and track IRECs in the Michigan Renewable Energy Certification System (MIRECS). However, there is no comparable means of tracking apprentice labor multipliers in Washington. The best way to prevent double counting as a result from the bifurcation of multipliers would be to introduce a means to track and retire the multipliers, of which there is currently none. Development of a mechanism to track multipliers would not only be complicated, but would result in a great deal of time and resources on the part of the Commission and market participants.

CRS strongly urges the Commission to not allow the bifurcation of the apprentice labor multiplier from the REC, as this has the potential to severely impact the clean energy industry in Washington. The voluntary renewable energy market provides a significant revenue stream for Washington generators, which could potentially be lost if apprenticeship credits are traded separately from the REC and used separately for RPS compliance. In 2010, over 1,081,000 unique MWh of renewable energy generated in Washington were sold into Green-e Energy certified products. There were approximately 47,000 retail customers of Green-e Energy certified renewable energy located in Washington, who purchased nearly 1,460,000 MWh in Green-e Energy certified sales. If PSE's petition were to be approved, REC providers both in Washington and nationally would turn to out of state RECs for their green power products, and the role of Washington generators in this market would be diminished.

³ Green-e Energy National Standard, found at http://www.green-e.org/docs/energy/Appendix%20D_Green-e%20Energy%20National%20Standard.pdf

⁴ *ibid.*

Should the bifurcation of the apprenticeship credit be allowed, we highly recommend that there is a mechanism to automatically retire the multiplier on behalf of the REC purchaser, and not by default have the multiplier remain with the utility to be counted towards the RPS. If bifurcation is allowed and there is no mechanism to allocate the multiplier to non-RPS uses, Washington generation that is having its multiplier used toward the state RPS will be ineligible to be included in Green-e Energy certified sales.

Each of the above concerns applies with equal force to bifurcation of Washington's distributed generation multiplier. We strongly oppose bifurcation of any multiplier—whether associated with a social or an environmental attribute of renewable energy—and we urge the Commission not to open the door to this practice in any form.

CRS urges you to consider the impact of bifurcated labor apprenticeship multipliers on Washington renewable energy generators and customers and to ensure that the renewable energy industry continues to thrive in Washington. Thank you for accepting and considering our comments. Please do not hesitate to contact us should you have questions regarding the Green-e Energy program or the impact of PSE's petition on the voluntary renewable energy market in Washington.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Martin". The signature is fluid and cursive, with the first name "Jennifer" written in a larger, more prominent script than the last name "Martin".

Jennifer Martin
Executive Director
Center for Resource Solutions