

Agenda Date: May 29, 2014
Item Numbers: A2

Dockets: UE-120813
Company: Pacific Power and Light Company

Staff: Jeremy Twitchell, Regulatory Analyst

Recommendation

Issue an Order in Docket UE-120813 finding:

- (1) Pacific Power and Light Company has complied with the two-step reporting process identified by the commission in Order 01 of this docket.
- (2) Pacific Power and Light Company has generated or acquired 119,858 megawatt-hours of RECs and eligible generation for the purpose of 2012 RPS compliance, and retired corresponding certificates for all resources that are registered in WREGIS.
- (3) Pacific Power and Light Company has complied with its 2012 RPS target as required by RCW 19.285.040(2)(a)(i).

Background

The Commission issued Order 01 in this docket on Sept. 13, 2012, which approved Pacific Power and Light Company's (PacifiCorp or company) calculation of its 2012 renewable energy target as 119,857 megawatt-hours. In that order, the commission also adopted a "two-step" process for determining compliance with the renewable portfolio standard (RPS) requirements within the Energy Independence Act (EIA).

Under the two-step process, each utility is expected to file an initial report each year to calculate its renewable energy target for that year and demonstrate that it has acquired or contracted to acquire enough renewable energy credits (RECs) or eligible generation to meet that target. Then, no later than June 1 two years after the target year, the utility must file a report with the commission that shows the specific resources that it used for compliance and the quantity of RECs or eligible generation from each resource.

Pursuant to RCW 19.285.030(20), the Washington State Department of Commerce has selected the Western Renewable Energy Generation Information System (WREGIS) as the tracking body that verifies the RECs and eligible generation that qualifying utilities under the EIA use for compliance. To comply with the RPS requirements of the EIA, a utility must retire WREGIS certificates for the eligible resources that it claimed in its final compliance report.

Discussion

On May 8, 2014, PacifiCorp filed its Final Renewable Compliance Report for 2012. The report included a printout of the company's WREGIS account showing that 119,180 certificates representing eligible wind and incremental hydro resources had been retired for compliance with

the company's 2012 Washington renewable energy target. PacifiCorp also acquired 678 megawatt-hours of eligible hydro generation from the Wanapum Dam, for a total of 119,858 megawatt-hours of RECs and eligible renewable resource generation for 2012.

Grant County PUD, which operates Wanapum, has not registered that facility in WREGIS, so PacifiCorp was unable to retire certificates that corresponded to its share of Wanapum's eligible generation. Staff recommends that in approving PacifiCorp's use of Wanapum generation, the commission state that the approval applies for the 2012 target year only, to allow for further investigation of whether utilities should be allowed to claim eligible resources that cannot be tracked in WREGIS. Staff also believes it should be made clear that methodologies employed by PUDs in determining their incremental hydro production will be evaluated on a case-by-case basis.

Conclusion

Staff recommends that the commission issue an order in Docket UE-120813 as described in the recommendation section above.