

DRAFT RULES ON DOUBLE COUNTING AND STORAGE ACCOUNTING

WAC 194-40-XXX / WAC 480-100-XXX Safeguards to prevent double counting of unbundled RECs

(1) A utility may use an unbundled REC as an alternative compliance option, as provided in RCW 19.405.040(1)(b), only if the utility demonstrates that there is no double counting of any nonpower attribute associated with that REC. ~~This section sets only the minimum requirements necessary to demonstrate that no double counting has occurred. The auditor may require the utility to produce other evidence or take specific actions as it determines necessary to ensure that there is no double counting of nonpower attributes.~~

(2) To claim and retire an unbundled REC for alternative compliance, a utility must demonstrate that the unbundled REC was obtained from a ~~Seller renewable generating facility~~ that ~~complies with the attests to the~~ following ~~business practices~~ to prevent double counting:

(a) ~~The unbundled REC is not associated with a~~Any sale or transfer of electricity from the renewable generating facility, ~~other than a sale or transfer described in subsection (c),~~ that specifies the source of the electricity by generating facility, fuel source, or emissions attribute ~~must include the sale or transfer of the associated REC in the same transaction. The included RECs must be from the same generating facility and have the month and year vintage of the electricity.~~

(b) ~~Any The~~ sale or transfer of ~~the underlying~~ electricity from the renewable generating facility ~~made without the~~ associated ~~with the unbundled~~ REC ~~must identify in the contract or transaction records that the electricity source is was sold as~~ unspecified ~~and is sold~~ without any representation or warranty of the fuel source or other nonpower attributes of the electricity.

(c) ~~Any The unbundled~~ REC ~~is not~~ associated with electricity delivered, reported, or claimed as a zero-emission specified source under a GHG cap program outside ~~of~~ Washington. ~~must be:~~
~~(i) transferred with the electricity, if the REC is required for verification by the GHG cap program, or~~
~~(ii) retired by the renewable generating facility, if the REC is not required for verification by the GHG cap program. The retirement must indicate "other" as the purpose, and the REC may not be used to comply with CETA.~~

~~(d) The renewable generating facility must register with the renewable energy credit tracking system designated under WAC 194-40-400 and must certify annually to Commerce that it has adopted and complies with the business practices specified in subsections (a) through (c). Commerce will maintain a public list of renewable generating facilities whose unbundled RECs may be used as alternative compliance options.~~

~~(3) A utility that owns or controls a renewable generating facility used in whole or part to comply with CETA must adopt and comply with the business practices specified in subsection (2) of this section.~~

WAC 194-40-YYY / WAC 480-100-YYY Accounting for electricity from storage resources

- (1) The eligibility of renewable or nonemitting electricity for compliance for CETA is not affected by the use of storage resources.
- (2) Except for storage resources located on the customer side of a retail meter, any electrical consumption or loss resulting from the charging, holding, and discharging of storage resources is not considered retail electric load for the purpose of determining compliance with CETA.
- (3) Any consumption or loss resulting from the charging, holding, and discharging of storage resources located on the customer side of a retail meter is considered retail electric load for the purpose of compliance with CETA.

WAC 194-40-ZZZ / WAC 480-100-ZZZ Accounting for retained RECs¹

(1) To claim and retire a retained REC for primary compliance, ~~at the Owner or Seller utility~~ must attest demonstrate that the retained REC was obtained from a renewable generating facility that complies with to the following ~~business practices~~ to prevent double counting:

- (a) The retained REC is not associated with aAny sale or transfer of electricity from the renewable generating facility ~~, other than a sale or transfer described in subsection (c),~~ that specifies the source of the electricity by generating facility, fuel source, or emissions attribute ~~must include the sale or transfer of the associated REC in the same transaction. The included RECs must be from the same generating facility and have the month and year vintage of the electricity.~~
- (b) ~~Any The~~ sale or transfer of the underlying electricity from the renewable generating facility ~~made without the~~ associated with the retained REC ~~must identify in the contract or transaction records that the electricity source is was sold as~~ unspecified ~~and is sold~~ without any representation or warranty of the fuel source or other nonpower attributes of the electricity.

(2) A retained REC that is sold becomes an unbundled REC.

Recommended Alternative Section: Safeguard to prevent double counting of RECS used for Primary Compliance

(2) To claim and retire a REC for primary compliance, a utility must demonstrate that the Owner or Seller of the REC and the electricity associated with the REC attests to the following to prevent double counting:

(a) The REC is not associated with any sale or transfer of electricity from the renewable generating facility that specifies the source of the electricity by generating facility, fuel source, or emissions attribute.

¹ The terms “retained REC” and “primary compliance” are defined in draft rules issued by the UTC on October 12, 2021, in Docket UE-210183.

Attachment A - Joint Utilities Redlines of Draft Rules

(b) The sale or transfer of the underlying electricity from the renewable generating facility associated with the REC was sold as unspecified without any representation or warranty of the fuel source or other nonpower attributes of the electricity.

(c) The REC is not associated with electricity delivered, reported, or claimed as a zero-emission specified source under a GHG cap program outside Washington.