

Attachment B

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 [Commission]/[Auditor] may require the utility to produce other evidence or take specific actions as the [Commission]/[Auditor] determines necessary to ensure that there is no double counting of nonpower attributes.~~

(2) ~~Except as provided in subsection (4), a~~A utility may use an unbundled REC for alternative compliance only if the utility demonstrates:

(a) The associated electricity was sold, delivered, or transferred without fuel sources or nonpower attributes and under a contract or transaction term expressly stating the fuel source or nonpower attributes are not included; and

(b) The associated electricity was not delivered, reported, or claimed as a zero-emission specified source or assigned the emissions rate of the renewable generating facility under a GHG program.

(3) A utility's demonstration under this section may be met by documentation that the entity providing the unbundled REC:

(a) provides contract, confirmation, or other transaction terms that comply with the requirements of subsections WAC 480-100-XXX

(2) (a) and (2) (b) :

(b) was a party to or otherwise has knowledge of the transaction in which the associated electricity was sold or transferred and attests to subsections WAC 480-100-XXX (2) (a) and (2) (b) or

(c) obtained the unbundled REC from an entity that attests that it and all previous owners of the REC transferred the REC using transaction terms complying with the requirements of subsections WAC 480-100-XXX (3) (a) or (3) (b) .

~~(4) To claim and retire an unbundled REC for alternative compliance where the Washington-eligible RECs were created by renewable electricity marketed by the Bonneville Power Administration (Bonneville) a utility must demonstrate the REC was not associated with electricity from a system sale from Bonneville directly into a state with a GHG program. The RECs are calculated~~

~~based on the same vintage year as the year in which the electricity was imported to the state with the GHG program.~~

(5) For the purposes of this section, "GHG program" includes any governmental program outside of Washington that caps or limits greenhouse gas emissions or requires the purchase, surrender, or retirement of greenhouse gas allowances, if the scope of the greenhouse gas program includes electricity imported from outside the governmental jurisdiction and does not require the retirement of RECs for such imported electricity.

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

(1) For reporting and compliance with WAC 480-100-650(1) and WAC 480-100-650 (2)(e):

(a) The eligibility of renewable or nonemitting electricity is not affected by the use of storage resources.

(b) 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 as defined in RCW 19.405.020(36).

~~(c2) For reporting and compliance with WAC 480-100-650(1)(a) and (b), and WAC 480-100-650(2), a~~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 NPAs¹

(1) To claim and retire a retained NPA for primary compliance under WAC 480-600-650(1) ~~(e)~~:

~~_(a) A utility must report any contract under which the utility sold or transferred electricity with any portion of that electricity's nonpower attribute. This includes any contract for the sale or transfer of the electricity that specified the renewable or nonemitting generating facility that generated the electricity.~~

(b) ~~A utility must identify and report separately a~~Any contract under which the utility sold or transferred electricity without the associated REC or nonpower attribute. ~~The contract~~ must include terms stating the utility is not transferring any of the nonpower attributes, the buyer will not represent in any form that the electricity has any nonpower attributes associated with it, and the

¹ The terms "retained NPA" and "primary compliance" are defined in draft rules issued by the UTC on January 19, 2022, in Docket UE-210183.

buyer must include such provision in any subsequent sale of the electricity.

(2) Based on the statutory definition of unbundled REC under RCW 19.405.020(38), a REC that meets the definition of a retained NPA under WAC 480-100-605 that is subsequently sold becomes an unbundled REC.