

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 1394**

In the matter of an investigation into electric companies providing Qualified Reporting Entity services for certification of renewable energy certificates by the Western Renewable Energy Generation Information System

STAFF'S OPENING COMMENTS

Pursuant to Judge Hardie's memorandum of October 22, 2008, staff of the Public Utility Commission of Oregon (staff) submits opening comments in this proceeding. Appendix A contains responses to selected data requests, organized by utility. Appendix B is Bonneville Power Administration's (BPA's) standard form Qualified Reporting Entity (QRE) agreement.

**Background**

The Oregon Renewable Energy Act (ORS 469A.005 to 469A.210) requires all utilities in the state to meet a Renewable Portfolio Standard (RPS). The standard for large utilities, including Portland General Electric (PGE) and PacifiCorp, is 25 percent renewable energy serving retail load by 2025, with interim standards of 5 percent by 2011, 15 percent by 2015 and 20 percent by 2020. Electricity service suppliers serving customers in PGE's or PacifiCorp's service area must meet a comparable standard. Small utilities including Idaho Power must meet a standard of 5 percent or 10 percent renewable energy by 2025, depending on retail sales in Oregon.

ORS 469A.130 requires the Oregon Department of Energy (ODOE) to establish a system of renewable energy certificates (RECs) that can be used to establish RPS compliance. The statute further expressly states that the Western Renewable Energy Generation Information System (WREGIS) is an acceptable program for this purpose. In a recent rulemaking proceeding, ODOE established WREGIS as this system.<sup>1</sup> One certificate is created for each megawatt-hour of qualifying electricity generated.

WREGIS does not have the capability to directly acquire generating data from generating units to ensure the integrity of the RECs it issues. Instead, WREGIS requires that a QRE report generating data monthly for all generators larger than 360 kilowatts (kW).<sup>2</sup>

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<sup>1</sup> See OAR 330-160-0005 to -0030.

<sup>2</sup> Smaller generators may self-report. See *WREGIS Interface Control Document - Qualified Reporting Entities* at 11-12, available at: <http://www.wregis.org/content/blogcategory/26/47/>.

WREGIS defines a QRE as “An organization providing renewable Output<sup>3</sup> on a unit-specific basis for the purpose of creating WREGIS Certificates that has met the Qualified Reporting Entity Guidelines established in the WREGIS Operating Rules and agreed to in the ICD [Interface Control Document].”<sup>4</sup> WREGIS does not charge any fees to QREs.

If a generator does not have access to QRE services, WREGIS will not issue RECs for the facility. Therefore, a generator without access to QRE services cannot qualify for Oregon’s RPS or similar requirements in other Western states.<sup>5</sup>

PacifiCorp and Idaho Power are among the electric utilities in the West registered as QREs.<sup>6</sup> They currently provide QRE services for their owned facilities as well as contracted facilities from which they acquire RECs, but not for other (“Third Party”) generators – even those they buy power from.<sup>7</sup>

BPA and the California Independent System Operator (ISO) also are QREs. Both offer QRE service free of charge to any generator within their balancing authority areas. That includes facilities owned by or contracted to PGE and PacifiCorp.

Staff provided an initial list of issues in its staff report for the October 7, 2008, public meeting, along with preliminary comments.<sup>8</sup> Staff expands on these comments here and responds to the utilities’ initial filings on November 6, 2008, as well as responses to staff data requests.

### **Staff’s Opening Comments on the Adopted Issues List**

**Issue 1: Does the Commission have authority to require a public utility to provide QRE service to all generators over 360 kilowatts (kW) upon request if:**

- a. The generator is located in the public utility’s Oregon service territory and is interconnected to the public utility’s distribution or transmission system under a valid interconnection agreement?**

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<sup>3</sup> “Output” is defined in the Terms of Use agreement as “reported renewable generation data from a Registered Generating Unit contained in standardized data files delivered to WREGIS by Qualified Reporting Entities, or by Account Holders, or by designated reporting entities using protocols described in an Interface Control Document, or a Self-Reporting Interface.”

<sup>4</sup> See WREGIS Terms of Use agreement, revised August 6, 2008, at 33. Staff’s responses to Issues 6 and 15 provide more detail.

<sup>5</sup> The Commission also requires PGE and PacifiCorp to use WREGIS-certified RECs for renewable energy portfolio options.

<sup>6</sup> PGE has not yet registered as a QRE, but plans to do so.

<sup>7</sup> Including Qualifying Facilities under the federal Public Utility Regulatory Policies Act (PURPA, 16 U.S.C. § 824a-3). Oregon PURPA is codified as ORS 758.505 through 758.555.

<sup>8</sup> See the staff report for regular agenda item no. 1 at <http://www.puc.state.or.us/PUC/meetings/pmemos/2008/100708/reg1.pdf>.

Preliminarily, staff notes that the three affected utilities (PacifiCorp, PGE and Idaho Power) have each stated they are willing to voluntarily provide QRE service regardless of the Commission's power to regulate or require the provision of such service.<sup>9</sup> Staff appreciates the utilities' willingness to assist implementation of the RPS law in this regard.

The utilities' willingness to voluntarily serve as a QRE eliminates the immediate need to provide a necessarily definitive response to each of the Issues concerning the scope and breadth of the Commission's authority to *require* a utility to provide QRE service. Staff will nonetheless provide its initial analysis of the authority issue, while noting it is a complex area of regulatory law. Further, the answers to some Issues may depend upon a review of facts not yet fully developed and in the record. For these reasons, staff's counsel reserves the right to amend its initial analysis in staff's Reply Comments.

As stated, in light of the utilities' express willingness to voluntarily provide QRE service, it is not necessary to fully explore the scope of the Commission's authority to essentially force a utility to do so. Nonetheless, staff's counsel has advised that, should a utility refuse to provide QRE service in the future, a reasonable argument may be made that the Commission has authority to mandate a utility provide QRE service.

The Commission clearly has authority over all aspects of an electric utility's business that relates to its primary mission: providing electricity, and related services, to the public in Oregon. See ORS 756.040; 757.205. However, it is not entirely clear that the provision of QRE service falls into this category.

The utilities have each asserted in their November comments that QRE service is a wholesale service that is not necessary to the provision of retail electric service in Oregon. As such, even under the factual circumstances presented in Issue 1(a), the utilities argue the Commission does not have authority to require them to provide QRE service. Further, nothing in the RPS law expressly requires that a utility provide QRE service.

The issue is a complex one and the utilities are neither clearly right nor wrong. Under the circumstances assumed in Issue 1(a), a reasonable argument may be made that a QRE service is a "fully regulated" service.<sup>10</sup>

There is no serious dispute that the Legislature, by enacting SB 838, believes the RPS law is important to the provision of retail electric service in Oregon. The RPS law is highly dependent upon establishing a system of RECs for compliance. ORS 469A.130 expressly recommends WREGIS as an acceptable system for issuing, monitoring,

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<sup>9</sup> Each utility has so stated in their comments filed on November 6, 2008. Staff expects the utilities to affirm this statement in their Opening Comments, particularly in their responses to Issue 4.

<sup>10</sup> As will be explained later, staff uses the term "fully regulated" to mean the service is integrally related to the provision of electric service to the public and as such it must be provided under a tariff pursuant to ORS 757.205. Staff also will use the phrase "not fully regulated but allowed in rates" to describe just that: a service that is provided with some connection or nexus to the utility's electricity business but is not one that is typically tariffed.

accounting and transferring RECs. In September 2008, ODOE officially adopted WREGIS as the accepted REC-implementing system for the RPS law. See OAR 330-160-0020. Again, simply stated, a QRE serves to upload generating data from generators to WREGIS. WREGIS in turn issues RECs based upon this data. Utilities may use the WREGIS-issued RECs, subject to various legal constraints, to comply with Oregon's RPS law.

Thus, in a very real sense, in order for the RPS law to work effectively and efficiently, it is imperative that the WREGIS requirements, including the use of QREs, are also effectively and efficiently implemented. Provision of QRE service to Third Party Generators by public utilities will benefit Oregon ratepayers by enlarging the pool of qualifying electricity and unbundled RECs eligible to meet the Oregon RPS and by facilitating REC trading in the West. Even if utilities don't purchase the RECs from an individual Third Party Generator, the availability of more Oregon RPS-eligible RECs in the market helps keep down the cost of eligible renewable resources. Utilities are best-situated to serve as QREs.

As stated in their November comments, the utilities act as the balancing authority for their respective balancing authority areas. WREGIS states that the balancing authority should be the QRE if the generating unit reports to a balancing authority and the data can be reported on a generating unit basis. For other generators, WREGIS requires the QRE applicant to demonstrate its independence from the generator or the purchaser of the RECs.<sup>11</sup>

It is the utilities' unique position as regulated monopoly providers of electricity-related services that enables them to provide QRE service at a clear advantage to any other potential provider, particularly where the utility owns the meter, reads the meter, collects and reconciles the metering data, and may also serve as the balancing authority.

Further, utilities have the unique ability to provide QRE service for Third Party Generators because retail customers already are paying (in rates) for the personnel, hardware and software the utilities are using today to provide QRE services for their owned and contracted generators where they receive the RECs.

Thus, while it is not necessary to reach this determination in this docket, staff's counsel advises for the reasons discussed above, a strong argument may be made that the Commission has authority to require a utility to provide QRE service under the circumstances assumed in Issue 1(a).

Regardless of the answer to Issue 1(a), because the utilities are willing to provide QRE service, the next question becomes should the Commission allow (or require) QRE service costs and associated revenues to be recovered in rates — "above the line." Staff understands that PacifiCorp and PGE favor this approach, and Idaho Power, while not necessarily refusing to include the service above the line in rates, prefers to keep the service out of rates — providing it "below the line."

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<sup>11</sup> See issue 12 for more detailed information.

Even if the Commission is not authorized to regulate the QRE service as a fully regulated (i.e., tariffed) service, staff's counsel advises that there is no legal problem with including QRE service above the line in rates. The facilities the utilities would use to provide QRE service were, in whole or for the most part, paid for by ratepayers. The Commission has previously held that an otherwise "unregulated" utility service may be considered regulated to some degree if it is provided in whole or in part by means of facilities paid for by ratepayers. The most notable example of this is the yellow pages imputation order. See Commission Order No. 88-488 at 5-6. (Commission finds that, while yellow page advertising was not a necessary part of Pacific Northwest Bell's utility service, the value of the yellow page advertising "is linked inextricably with the publication and distribution of the (regulated) white pages by, or on behalf of, the local exchange company. The profits from the yellow pages are extremely useful...in supporting costs of communications service and making it more affordable.") There have been other examples of an arguably unregulated service, whose value is derived from regulated plant or services, being allowed in rates even though it was not tariffed as a fully regulated service. See Commission Order No. 05-230. (PGE agrees to share royalties with ratepayers from an otherwise unregulated business that was initially paid for by ratepayers.)

Staff also recommends the utilities provide QRE service as an above-the-line service for the following reasons:

It would be impossible to ensure that utility personnel, hardware, software, and other costs necessary for providing QRE service and included in retail rates would not be used to provide QRE service for Third Party Generators, and vice versa. In other words, there will necessarily be an intermingling of costs incurred by the utility to provide QRE service for owned, contracted (where the utility receives RECs) and Third Party generators. See PacifiCorp's response to Staff Data Request No. 6, attached. Further, in a general rate case, costs are on a forecasted basis for the test year. The utilities state that it is difficult to predict how many Third Party Generators may request QRE service in the future. It also will be difficult to predict how many utility-owned and contracted generators will require QRE service in the future. Forecasting costs due to Third Party Generators, versus utility-owned and utility-contracted generators, is prone to inaccuracy.

As an above-the-line service, ratepayers would provide a backstop to cover the utility's prudently incurred costs in providing QRE service for Third Party Generators. Staff recommends a separate utility subaccount be established to track revenues from generators purchasing QRE service. Revenues would offset costs in rates through a rider. To the extent the revenues exceed forecasts used to design service rates, ratepayers would receive the benefit. If QRE service ever became a profitable endeavor for the utilities, ratepayers would appropriately share in the benefits given their investment in the infrastructure used to provide the service.

If QRE service is allowed as an above-the line service, staff's counsel advises that the Commission has general authority to review proposed costs to ensure rates are fair and reasonable. See Order No. 88-488 at 10. ("The final rate-making treatment to be accorded the transactions described in this order and the amount of the revenues which will be imputed to PNB from them, will be reserved until a general rate proceeding of PNB.") Toward that end, the utilities have offered to informally submit to the Commission for its (staff's) review the pro forma QRE contract between the utility and the generator.

**b. The generator is located in Oregon and the public utility serves as its Balancing Authority, but the generator is not located in the public utility's allocated Oregon service territory?**

Like the response to Issue 1(a), because the utilities are generally willing to provide QRE service, the question of the Commission's legal authority to *require* a utility to provide QRE service is essentially moot. Nonetheless, staff's counsel advises that the strength of the argument set forth in Issue 1(a) for the proposition that the Commission has such authority weakens the further the assumed facts stray from the utility's business of providing electric service in its allocated service territory. But, so long as the generator is located in Oregon and the generator is willing to pay for whatever is reasonably necessary to record and transmit its generation data to the utility serving as the QRE, then the basic reasoning delineated in Issue 1(a) is still valid under the facts assumed in Issue 1(b).

**c. The generator is located in the public utility's allocated service territory or control area, or both, but is not interconnected to the public utility's distribution or transmission system?**

Staff's response to Issue 1(c) is generally the same as its response to Issue 1(b).

**Issue 2: To the extent the Commission has authority to require the public utilities to provide QRE service, should the service be provided through a Commission-approved rate schedule?**

Staff assumes in responding to this issue that the phrase "through a Commission-approved rate schedule" refers to a service that is contained in a tariff approved by the Commission pursuant to ORS 757.205. Staff's counsel advises that ORS 757.205 is generally applicable only to services over which the Commission has full regulatory powers. As explored in Issue 1(a), strong arguments can be made both for, and against, the Commission's regulatory authority to require a utility to provide QRE service.

But, as discussed in Issue 1(a), PGE, PacifiCorp and staff favor allowing a utility to provide QRE service above the line in rates. Under this scenario, the utility would not file with the Commission a schedule or tariff for the service pursuant to ORS 757.205 under the premise that the Commission does not necessarily have full regulatory authority over the service. However, the Commission would still retain authority to

decide the appropriateness of the costs and revenues associated with the QRE service in a general rate case. See *generally* Commission Order No. 88-488. As such, it would be prudent for the utilities to work with staff at this time to review proposed costs and rates for their respective QRE services.

**Issue 3: If QRE service is provided through a Commission-approved rate schedule, what types of terms and conditions should be specified:**

**a. In the rate schedule?**

**b. In the QRE contract between the public utility and the generator?**

See staff's responses to issues 1, 2 and 4.

**Issue 4: Regardless of whether the Commission possesses the authority to require the public utilities to provide QRE service, are the public utilities willing to voluntarily provide such service? If so, to whom and under what conditions? If utilities voluntarily provide QRE service and associated costs are allowed in rates, what types of terms and conditions should be specified in the QRE contract between the public utility and the generator?**

The first part of this question is directed at the utilities. As noted under Issue 1, staff understands that the utilities are willing to voluntarily provide QRE service. Staff will respond to the utilities' opening comments on the first part of this question at the time set for reply.

As for whom the utilities should provide QRE service, staff sets as its main criteria consistency with the requirements and policies established by WREGIS, the only REC tracking system in the Western Interconnection and the system designated for compliance with the Oregon RPS. WREGIS policies were established through a deliberative open process involving over 400 stakeholders across a broad spectrum of interests in the West.

The QRE contract between the utility and the generator should specify such terms and conditions as the period of the agreement, QRE service charges, whether and how such charges may change over the term of the agreement, the responsibilities of each party, limits of liability and hold harmless provisions, confidentiality of data and termination provisions.<sup>12</sup>

QRE contracts used by BPA and California ISO may provide guidance. However, BPA and California ISO provide QRE service at no charge to generators. To the extent the Commission determines that Third Party Generators should bear all or a portion of the costs utilities incur to provide them with QRE service, these contracts provide no direction regarding rate design.

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<sup>12</sup> Not an exhaustive list.

**Issue 5: Would the following public utility activities be prohibited as discriminatory under relevant law or otherwise be prohibited by any other law:**

Preliminarily, staff reiterates its concern that providing QRE services only to generating facilities the utility owns, or those with which it contracts for both RECs and the underlying power, appears to be discriminatory on its face. Moreover, if the costs and revenues for the QRE service are allowed (or required) to be above the line, staff's counsel advises that a very strong argument can be made that ORS 757.310 and ORS 757.325 (relating to illegal practices arising from differences in rates charged) would apply.

- a. Acting as a QRE for owned or contracted facilities from which the utility is receiving renewable energy certificates (RECs), but not offering QRE service for other generators interconnected to the utility or for which the utility is the Balancing Authority ("Third Party Generators").**

If a utility's provision of QRE service is a matter outside the Commission's regulatory authority, staff has no response to Issue 5(a). Conversely, if the Commission has authority to require a utility to provide QRE service, then the response to Issue 5(a) naturally flows from the Commission's exercise of that power. In other words, if the Commission requires a utility to provide QRE service to "other generators," then the assumed facts are no longer valid.

- b. Charging Third Party Generators for QRE service if the cost of providing such service for owned or contracted facilities from which the utility is receiving RECs is included in retail rates.**

Staff believes Third Party Generators should pay the reasonable costs of QRE service provided by electric utilities. Staff addresses under Issue 11 the potential concern of fixed costs spread over few generators, particularly at program start-up.

- c. Charging Third Party Generators a different rate for QRE service than the internal cost the utility incurs for owned or contracted facilities from which the utility is receiving RECs.**

If the Commission has authority over QRE service (whether it is fully regulated or simply allowed to be recovered in rates as an above the line item), staff recommends the Commission require the utility to charge the appropriate business unit for QRE service for owned facilities. The utility should do the same for contracted facilities where it receives the RECs, or charge the contracted facility for QRE service in the same manner as Third Party Generators.

Costs and charges should be accounted for in a transparent manner. Staff supports Idaho Power's proposal to bill its power supply business unit for QRE service using the same cost-based methodology it would use to set QRE service charges for unaffiliated generators. See Idaho Power's November comments (at 3-4). The proposal would

make transparent that the company is charging fair and reasonable rates for Third Party Generators.

Staff asked the utilities how they account for — or plan to account for — the costs incurred for providing QRE services for owned generators and contracted generators that provide RECs. Staff also asked the utilities whether they plan to request that such costs be included in retail rates in a future rate case.

PacifiCorp includes costs for QRE services in FERC Account 920, Admin and General (A&G) Salary. Idaho Power currently provides QRE services only for contracted facilities. Direct costs are included in FERC Account 557; indirect costs are accounted for in A&G accounts. Both utilities plan to include QRE service costs in a future general rate case under these accounts. PGE expects to record costs for QRE services in FERC Account 557, “Other Expenses,” under “Other Power Supply Expenses.” Regarding its current general rate case, the company states, “PGE considers the UE 197 filing to include labor to accommodate WREGIS reporting.” See PacifiCorp’s responses to Staff Data Request Nos. 11 and 12; Idaho Power’s responses to Staff Data Request Nos. 9 and 10; and PGE’s responses to Staff Data Request Nos. 11 and 12 (attached).

**d. Charging Third Party Generators an amount for QRE service in excess of an amount charged to contracted facilities from which the utility is receiving RECs.**

Staff is aware that at least Idaho Power desires to charge a “profit” for providing QRE service to Third Party Generators. See Idaho Power’s November comments (at 5) and response to Staff Data Request No. 14, attached. Staff is not necessarily opposed to the notion of a utility including some margin in determining rates for taking on uncompensated risk. However, if the Commission allows the costs for providing QRE service to Third Party Generators to be included above the line (in retail rates), both the costs and the revenues received would be incorporated in determining a utility’s revenue requirement in a general rate case. Because revenue requirement is determined by the utility’s authorized rate of return, rate base and forecasted expenses, adding some margin in developing rates for QRE service would have a *de minimis* impact on ratepayers, while raising the cost to generators. Further, allowing QRE costs in rates reduces the utility’s risk, negating the basis for charging a profit. Staff will work with the utilities to further explore this issue and reach an acceptable resolution.

**Issue 6: What are the requirements to be a QRE under the Western Renewable Energy Generation Information System?**

The WREGIS Interface Control Document for QREs (at 5) states that QREs may include, but are not limited to, the following:

- Balancing authorities

- Load serving entities<sup>13</sup>
- Generator aggregators
- Meter readers
- Independent third parties

However, the WREGIS Interface Control Document for QREs states (at 4): “If the Generating Unit currently reports to a Balancing Authority, then this specific Balancing Authority should be the Qualified Reporting Entity for those generating units in WREGIS, as long as the data can be reported on a generating unit basis.” WREGIS requires FERC functional separation if the QRE also functions as its own balancing authority and owns generating units or is subject to an RPS and is retiring RECs. The separation is intended to make the reporting entity independent from the entity retiring RECs. (*Id.*)

Regarding other types of QREs, the applicant must demonstrate to WREGIS that there is no conflict of interest related to the generating data and associated RECs. That means the QRE must demonstrate its independence from the generator and the purchaser of the RECs. The entity must be distinct from the generator or purchaser, or it must be large enough to have the necessary separation and maintain a code of conduct that ensures the integrity of the generating data.

**Issue 7: Can third parties compete effectively with public utilities to provide QRE service for generators over 360 kW?<sup>14</sup>**

While the factual record in this docket is incomplete at this stage of the proceeding, there can be no serious dispute that where the generator is interconnected to the utility’s distribution or transmission system and the utility owns and reads the meter(s) measuring generation output, third parties cannot compete effectively with utilities to provide QRE service. That is because any third party would needlessly replicate the hardware and processes already in place to meter generation output, read the meter and make any adjustments to monthly data for reconciliation. The situation is similar where the utility serves as the balancing authority for the area in which the generator is located and the utility already receives generation data.<sup>15</sup>

There is no competition today for QRE service except for small generators that can self-report. These providers provide the necessary metering and meter reading services along with QRE services. There is no incentive for third parties to compete with the utility where it already has a meter on the generating facility that provides accurate data.

However, PGE has proposed to provide generators with a meter reading reporting service that would give them the option of choosing an alternative QRE to upload that data to WREGIS. See Issue 12.

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<sup>13</sup> Load serving entities, including utilities, provide electric service to end-users and wholesale customers.

<sup>14</sup> Smaller generators may self-report to WREGIS. See WREGIS Interface Control Document - Qualified Reporting Entities at 11-12, available at: <http://www.wregis.org/content/blogcategory/26/47/>.

<sup>15</sup> See Issue 13 regarding cases where the utility may not have the appropriate meter data.

**Issue 8: What are the estimated costs for providing QRE service to Third Party Generators and what is the basis for these costs?**

**Summary**

The utilities outlined in responses to data requests their estimated time and costs for providing QRE service to Third Party Generators. See PGE’s response to Staff Data Request No. 4, PacifiCorp’s responses to Staff Data Request Nos. 2 and 7, and Idaho Power’s responses to Staff Data Request Nos. 2 and 3 (attached). Staff summarizes the responses in Table 1 below.

Table 1. Utility-Estimated Costs to Provide QRE Service to Third-Party Generators

	<b>PGE</b>	<b>PacifiCorp</b>	<b>Idaho Power</b>
One-time set-up costs	\$400	By contract	\$487
Monthly charge	\$85	\$100	\$112
Hourly rate	\$50	\$50	\$74.88
Hours per month	1.7	2.0	1.5
Total estimated first-year annual charge	\$1,420	\$1,644*	\$1,831
Subsequent annual charge	\$1,020	\$1,200	\$1,344

\* Assumes average of PGE and Idaho Power set-up costs for PacifiCorp.

Staff provides further information on these estimates below, by utility.

**PacifiCorp**

PacifiCorp initially estimated the total time spent on QRE services for its “Owned Generators” and “Bundled REC Generators” (contracted facilities from which the company receives RECs for the underlying power) at about 40 hours per month. See PacifiCorp’s initial comments at 9-10. PacifiCorp clarified in its response to Staff Data Request No. 3 that this estimate did not include the “upstream” activities outlined in response to Staff Data Request No. 2. PacifiCorp provides QRE services for 48 owned facilities and three Bundled REC Generators. The company estimates it spends two hours per month on QRE services for an individual Owned Generator or Bundled REC Generator. The estimated monthly cost for providing QRE service for each generator is \$100. See PacifiCorp’s responses to Staff Data Request Nos. 2 and 3, attached.

However, the company states, “Because PacifiCorp’s back-office is currently at capacity with respect to work load, the Company estimates it would need at least one full time employee dedicated to the task of providing QRE services to potential generators within its control area.” See PacifiCorp’s initial comments at 12.

For comparison, BPA estimates the costs of providing QRE services for all generators within its large balancing authority area (both affiliated and unaffiliated entities) based on a 0.3 to 0.5 full-time equivalent employee.<sup>16</sup>

It is unlikely PacifiCorp would need a full FTE to provide QRE services to Third Party Generators when the company spends only 40 hours a month (or about one-quarter FTE) providing QRE services for a total of 51 owned and contracted facilities.<sup>17</sup> Further, the company is acquiring additional owned and contracted facilities to meet resource needs and fulfill renewable portfolio standards across its multi-state service area. PacifiCorp estimates the number of generators planned for 2009, 2010 and 2011 at six, three and two, respectively. See PacifiCorp's response to Staff Data Request No. 4, attached. If PacifiCorp's back office is truly at capacity with respect to workload, any additional FTE the company needs to provide QRE service to Third Party Generators also would be needed for these additional company acquisitions. PacifiCorp confirms this analysis in response to Staff Data Request No. 5, attached.

PacifiCorp asserts that its list of QRE Tasks/Activities (Table 1) in its November comments represents only incremental activities for providing services to Third Party Generators, regardless of whether PacifiCorp serves as the balancing authority for the generator. However, the company's assertion — and time and cost analyses — are based on the erroneous notion that the generating data PacifiCorp collects in performance of its duties as balancing authority or for other operational purposes is not the same quality required to provide QRE service. See PacifiCorp's response to Staff Data Request No. 1, attached. Staff does not understand why PacifiCorp believes its meters are of insufficient quality for QRE data reporting.

The overarching statement under WREGIS Operating Rule 9.3, Revenue Metering Standards, is as follows: "For each renewable energy resource, total MWhs of generation shall be measured at the point of interconnection to the transmission or distribution company's system *or adjusted* to reflect the energy delivered into either the transmission or distribution grid at the high side of the transformer."<sup>18</sup> (Emphasis added) There are additional requirements by class of generator, determined by generator size, contracts and whether the generation is reported to a balancing authority on a unit-specific basis. Where generation is reported by a balancing authority on a unit-specific basis (Class A generators), "[t]he original data source for reporting must be from a revenue-quality meter output measuring, *or adjusted to reflect*, the energy delivered into the transmission grid at the high side of the transformer." (Emphasis added) See WREGIS Operating Rule 9.31.

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<sup>16</sup> Personal communication with Debra Malin, BPA, September 24, 2008. BPA recovers these costs in its power and transmission rates using a 50/50 split.

<sup>17</sup> See PacifiCorp's responses to Staff Data Request Nos. 2 and 3, attached, for clarifications. It is unclear from these responses whether PacifiCorp is stating it originally underestimated the time spent on QRE services for its owned/contracted generators by as much as 100 percent. However, staff's logic holds even if the company is now doubling its estimate to 80 hours per month (one-half FTE) for 51 generators.

<sup>18</sup> A footnote to Operating Rule 9.3 states, "Losses occurring on the bulk transmission or distribution systems after the metering point are not reflected in the number of certificates created."

In addition, the QRE must report “financial settlement quality data from revenue quality meters.”<sup>19</sup> WREGIS allows generation data to be reported in aggregate from multiple generating units if the units share the same characteristics.<sup>20</sup>

Staff contacted WREGIS to get a full understanding of its metering and generating data reporting requirements.<sup>21</sup> The WREGIS assistant administrator advises that the operating rules allow for the meter to be on the high side of the transformer or, if on the low side, the QRE may adjust the reading to account for losses due to the transformer. The purpose of this requirement is to ensure all generators are on an equal footing (same voltage level) for reporting. Meters used for financial settlement or monthly balancing authority settlement are of sufficient quality.

### ***Idaho Power***

Idaho Power identifies the incremental activities for providing QRE service to Third Party Generators in response to Staff Data Request No. 1, attached. Idaho Power estimates 6.5 hours for one-time set-up costs, not including any additional metering or telemetering equipment that may be needed. The company estimates approximately one hour per month for meter data and validation for each generation unit and an additional 0.5 hours per month to prepare and provide the data to WREGIS. This is the amount of time Idaho Power spends per month performing QRE service for each of two contracted renewable energy projects, equating to \$112.31 per project per month. The company does not currently track RECs from any of its owned facilities. See Idaho Power’s responses to Staff Data Request Nos. 2 and 3, attached.

Idaho Power has contracts with additional PURPA wind projects representing an additional 30 MW on-line in 2009 and 160 MW on-line in 2010.<sup>22</sup> The company is evaluating additional renewable resources in its 2009 Integrated Resource Plan. See Idaho Power’s response to Staff Data Request No. 4, attached. Staff therefore would expect the number of Third Party Generators requesting QRE service from Idaho Power to grow in future years.

### ***Portland General Electric***

PGE is not yet registered as a QRE. The company estimated the costs of providing QRE service assuming it would provide such services for a 50 average megawatt (MWA) low-impact certified hydroelectric project owned by PGE, plus 10 megawatts (MW) of Third Party Generators.

PGE provided an initial estimate of \$10,000 to \$15,000 for incremental costs for designing data collection and reporting programs, plus \$150 for individual generator set-up costs. The company proposes that both costs be recovered through a one-time QRE set-up charge of \$400. The company derived the figure by prorating its 50 MWA of owned generation it plans to report to WREGIS and an estimated 10 MW of other

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<sup>19</sup> WREGIS Interface Control Document for QREs at 4.

<sup>20</sup> Specified in Appendix C of the Interface Control Document.

<sup>21</sup> Personal contact with Andrea Coon, WREGIS assistant administrator, December 10, 2008.

<sup>22</sup> The company did not indicate the number of projects this represents.

generators that it also may report for.<sup>23</sup> PGE estimated it would need 0.5 FTE to maintain monthly QRE service for 60 MW of generation, at a cost of \$50,000 per year. That cost would be recovered through a monthly QRE reporting fee of \$85. PGE provides the basis for its initial cost analysis in response to Staff Data Request No. 4, attached.

PGE believes that opportunities for owned or contracted generation where RECs are included are limited in its balancing authority (control) area. See the company's response to Staff Data Request No. 7, attached.

**Issue 9: Assuming costs associated with QRE service are allowed in retail rates, should the public utilities charge generators the fully allocated cost or the incremental cost for QRE services?**

Staff recommends the utilities design QRE service rates for Third Party Generators according to the incremental work required to provide them service, based on fully allocated costs. The primary driver of costs for QRE service is labor. Labor costs should be fully allocated to account for the utility's loading rates, which include corporate overhead, benefits, paid time-off, employment taxes and other miscellaneous expenses. Charges for monthly recurring costs should be based on the costs attributable to an individual generator.

**Issue 10: Would charges for either fully allocated or incremental costs of QRE service be prohibitively expensive for generators?**

If a utility is seeking to spread high fixed costs over few generators, the cost could be prohibitively expensive. Staff is still reviewing the utilities' estimated costs and proposed rates for providing QRE service. Further, staff is interested in hearing from small generators<sup>24</sup> about the utilities' proposed rates given their lower project output (and associated number of RECs) and the revenues the generators receive for their RECs.

**Issue 11: Does the Commission have the authority to order that QRE services provided to Third Party Generators be subsidized by ratepayers on a pilot program basis? If so, what are the bases and standards for such authority? Should QRE services to Third Party Generators be subsidized?**

Staff raised the issue of whether QRE service for Third Party Generators should be subsidized – in whole or in part – for three reasons:

- First, a concern was raised initially that participation by Third Party Generators — and revenues collected for QRE service — may be insufficient at least at program startup to fully cover the fixed service costs. The concern was based on an assumption that new personnel may be needed, and the resulting rates may be unaffordable, given the revenues generators receive

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<sup>23</sup> PGE assumed 10 1-MW generators. See PGE's response to Staff Data Request No. 3, attached.

<sup>24</sup> Not including generators smaller than 360 kW, which can self-report.

from selling RECs.

- Second, utilities already provide QRE service at no charge for their own facilities as well as contracted facilities from which they acquire RECs. In addition, BPA and the California ISO offer QRE services at no charge to generators within their footprint, including facilities owned by or providing service to PGE, PacifiCorp and Idaho Power. In addition, the value of RECs from generators subjected to fee-based QRE service will be lower than RECs not subject to such a charge.<sup>25</sup>
- Third, provision of QRE service to Third Party Generators by the utilities will enlarge the pool of qualifying electricity and unbundled RECs eligible to meet the Oregon RPS and by facilitating REC trading in the West. However, if QRE service charges significantly dent the value of RECs, project development will be stymied. Even states that do not have an RPS want to ensure that renewable energy facilities located there can obtain QRE service at an affordable rate. There may be interest throughout the West to provide QRE services free of charge or at subsidized rates.

Among the options for the Commission's consideration is a pilot program to provide QRE service at no charge to Third Party Generators, just as utilities today are providing QRE service at no charge for their own and contracted facilities where they receive the RECs. In support of this concept, California ratepayers paid the entire cost to develop and establish WREGIS, and BPA and California ISO already provide QRE service at no charge to all generators in their balancing authority areas. Such a pilot program could be reviewed in two or three years.

The Commission would first have to conclude that Third Party Generators could not fully pay the cost of QRE services. As noted above in Issue 10, staff is still reviewing the utilities' estimated costs and proposed rates for providing QRE service.

Second, the Commission would have to conclude that Oregon ratepayers would benefit from subsidizing QRE service for Third Party Generators. In part, the benefits to ratepayers are in a larger pool of RECs eligible for the Oregon RPS. PacifiCorp agrees, appropriately noting that the relative costs of providing QRE service to Third Party Generators also must be considered. See PacifiCorp's response to Staff Data Request No. 16. The cost of providing QRE service for Third Party Generators clearly is low. Staff adds that even if the RECs from a Third Party Generator ultimately are not sold to Oregon utilities, their availability in the market helps keep down prices for renewable resources eligible to meet the Oregon RPS.

**Issue 12: Should public utilities provide a service comprised of reporting generation data that the utility has to a third party upon the generator's request, thus giving the generator the additional option of choosing an alternative QRE?**

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<sup>25</sup> Idaho Power's proposal to charge its power unit for QRE services for owned facilities is a possible remedy.

Yes. Staff agrees with PGE's proposal to provide such a service. See PGE's November comments — Attachment 2 at 3 and Appendix 2 (draft revision to Schedule 300). PGE's proposal addresses in part any concern parties may have about the ability of new service providers to enter the market and compete with the utility to provide QRE service.<sup>26</sup> Staff notes that this proposal is similar to PGE's provision of interval energy usage data at the same price whether the customer purchases meter information services<sup>27</sup> from PGE or a third party.<sup>28</sup>

Staff cannot envision how a third party could compete with the utility to the extent the utility already reads metered generator output and performs services such as reconciliation of monthly generation data.<sup>29</sup> However, PGE's proposed meter reading reporting service would make it *technically* possible for other existing or future third-party QREs to provide the necessary reporting services to WREGIS using utility-provided generation data.

**If so, what are the costs of providing such a service, and what are:**

**a. The bases for those costs?**

In its November filing PGE estimated the cost at \$45 per month, including meter reading and data transfer to a third party QRE, assuming the meter is owned by PGE and read remotely. No hardware changes were assumed in the cost. PGE provided additional details in response to Staff Data Request No. 5, attached.

PacifiCorp stated there would be a one-time cost for executing an agreement with the third-party QRE provider, with the potential for subsequent renewals. The company estimated recurring monthly costs for meter interrogation at \$100 per month, assuming two hours per month. See PacifiCorp's responses to Staff Data Request Nos. 9 and 10, attached. That cost estimate is the same as the estimate for providing QRE service directly.

Idaho Power states it would incur all the same costs to provide a meter reading reporting service as it would to provide QRE service directly, except for interacting with WREGIS to set up the generating unit and the monthly reporting to WREGIS. See Idaho Power's responses to Staff Data Request Nos. 7 and 8, attached. Similar to PacifiCorp, Idaho Power appears to be saying the costs for both types of service would be the same.<sup>30</sup> Staff is reviewing this issue.

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<sup>26</sup> To the extent an entity could effectively compete with a utility to provide QRE service, pricing of utility QRE service also may be of concern. For the reasons stated in these comments, staff does not believe there is effective competition for QRE service for generators larger than 360 kW.

<sup>27</sup> Provision of historical energy usage data and other relevant information, such as weather conditions, through an on-line energy management system.

<sup>28</sup> See Order No. 05-703 in Docket UE 156, where the Commission approved a stipulated agreement between PGE and staff.

<sup>29</sup> See staff's response to Issue 7.

<sup>30</sup> Staff has asked the company for clarification.

## **b. The liabilities of providing meter data to an alternative QRE?**

As discussed below in response to Issue 15, the WREGIS Terms of Use agreement limits the liability of QREs. However, in this case, a third party would serve as the QRE, not the utility. The utility should limit its liability in its contract with the third-party QRE for the service and potentially in a separate agreement with the generator, the WREGIS Account Holder.

## **c. The responsibilities of providing meter data to an alternative QRE? What if the generator wants corrections/adjustments?**

The utility is simply reading the meter and transferring the data to another party, which would serve as the QRE. PGE's proposed rate design for such service is on a per meter-read basis. To the extent the rate does not include costs associated with corrections or adjustments, the utility should specify an hourly rate for such work.

## **Issue 13: Under what conditions might additional metering be needed to provide QRE service for generators, and who should bear the cost?**

First, staff reiterates that the meter is not disqualified by WREGIS as a revenue-quality meter simply because it is on the low side of the transformer (before the voltage is stepped up). See staff's discussion under Issue 8, as it relates to PacifiCorp's responses. Nor does WREGIS disqualify the meter if the generator is connected to the distribution system, as Idaho Power mistakenly reports. See Idaho Power's response to Staff Data Request No. 6, attached. WREGIS Operating Rule 9.3 clearly states that generation can be interconnected at the distribution level, and the meter reading is acceptable as long as the QRE adjusts the data to account for losses associated with stepping up the voltage (high side of the transformer).<sup>31</sup>

Second, the cost of any additional metering truly necessary for the utility to provide QRE services for WREGIS, as requested by the generator, should be the responsibility of the generator. This is consistent with FERC interconnection procedures as well as staff's proposed interconnection rules for small generators.<sup>32</sup>

Utilities may not have the metering data they need to provide QRE service for generators in the following cases:

- 1) Customer-generators that want WREGIS certification for RECs associated with 100 percent of the generation facility's output. For example, utilities are required

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<sup>31</sup> Andrea Coon, WREGIS assistant administrator, verified staff's understanding in a personal communication on December 11, 2008.

<sup>32</sup> FERC documents are available at: <http://www.ferc.gov/industries/electric/indus-act/gi/small-gen.asp> and <http://www.ferc.gov/industries/electric/indus-act/gi/stnd-gen.asp>. See Docket AR 521 for staff's proposed interconnection rules.

to purchase only the “net output” of PURPA facilities, not their gross output. Net metering is another example.<sup>33</sup> In that case, utilities track the net energy consumed by the customer, as well as the energy produced each month from the net metering facility in excess of that amount. The utility may not have generation data for the gross output of the facility, which in the case of solar photovoltaic systems would need to be metered at the inverter.

- 2) Off-grid systems – Generating facilities that are not connected to a utility system are not metered by the utility. For example, a customer may have a solar photovoltaic system with batteries so that the system is not required to shut down in the event of a utility outage (to prevent islanding).
- 3) The generator is not interconnected to the utility – The generator may be in the utility’s balancing authority area, but may not be interconnected to the utility’s distribution or transmission system. In that case, another utility owns the meter and may not provide the generator-specific metered output needed.

**Issue 14: Does the Federal Energy Regulatory Commission have jurisdiction over Qualified Reporting Entity (QRE) service provided by public utilities? Does the answer depend on the design of this service and which function of the utility provides the service?**

The utilities stated in initial comments filed in November that QRE service is not subject to FERC jurisdiction. Staff’s counsel agrees with the analysis the utilities provided in their November comments. In addition, FERC has previously stated that RECs are a creation of the states, not the federal government.<sup>34</sup> QRE service is simply a generation data reporting service for the purpose of validating RECs.

**Issue 15: What are the responsibilities and liabilities of the utility providing QRE services?**

QRE responsibilities are specified in the *WREGIS Interface Control Document – Qualified Reporting Entities*. In a nutshell, the QRE is responsible for monthly reporting of the generator’s renewable generation data from specified metering points to WREGIS in a manner that conforms to WREGIS requirements. The generator may request adjustments be made to the data as specified in Section 9.4 of the WREGIS operating rules (at 30).

Section 25b of the WREGIS Terms of Use agreement limits the liability of a QRE:<sup>35</sup>

The accuracy of all information provided by Account Holder to WREGIS is of the essence in this Agreement. Account Holder hereby agrees, represents, and warrants that it will use reasonable efforts to ensure that

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<sup>33</sup> The Commission allows net metering for eligible generating facilities up to 2 MW for PGE and PacifiCorp nonresidential customers. See OAR 860-039-0010(2).

<sup>34</sup> See *American Ref-Fuel Company*, 105 FERC ¶ 61,004 at 61,007 (October 1, 2003). Also see Order No. 05-1229 in Docket AR 495.

<sup>35</sup> Both Account Holders (generators) and QREs sign the Terms of Use agreement.

all the information it, its Agents, or its employees provides to WREGIS shall to its knowledge be true, complete, and accurate at the time the information is provided to WREGIS. Should Account Holder discover that any information provided or that was previously provided to WREGIS is untrue, incomplete, or inaccurate, Account Holder shall immediately notify the WREGIS Director in writing of the particular untrue, incomplete, or inaccurate information and shall provide a true, accurate, and complete update of said information to the best of its ability, as soon as is practical. This shall be an ongoing obligation of Account Holder during the term of this Agreement.

The utility should still specify limitations on liabilities in its QRE agreement with the generator. Staff circulated to UM 1394 parties the standard QRE agreements used by BPA (see Appendix B) and the California ISO.<sup>36</sup>

Section 9 of BPA's agreement contains indemnity, hold harmless and waiver provisions. Section 10 addresses confidentiality of data. The agreement also incorporates by reference the WREGIS Terms of Use agreement, operating rules and Interface Control Document for QREs.

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<sup>36</sup> California ISO's template documents for QRE service are available at: <http://www.caiso.com/1fde/1fde9f4c3b100.html>.

Dated at Salem, Oregon, this 12<sup>th</sup> day of December 2008

A handwritten signature in black ink, appearing to read "Lisa Schwartz", written over a horizontal line.

**Lisa Schwartz**  
Senior Analyst/Lead Worker  
Electric and Natural Gas Division

UM-1394 / PacifiCorp  
December 8, 2008  
OPUC Data request 1

### **OPUC Data Request 1**

Please refer to Table 1 (pp. 10-11) in PacifiCorp's initial comments filed November 6, 2008. Please identify which of the listed "QRE Service Tasks/Activities" would be *incremental* to the services the Company otherwise provides:

- a. If the Company serves as the Balancing Authority for the "Third Party Generator"<sup>1</sup>
- b. If the generator is located in the Company's control area but is not interconnected with the Company
- c. If the Company provides transmission service to the Third Party Generator

### **Response to OPUC Data Request 1**

All of the QRE Task/Activities identified in Table 1 of PacifiCorp's opening comments would be incremental to the services the Company otherwise provides, irrespective of the scenarios presented in Staff's Data Request 1(a), (b) and (c). This is because the data that PacifiCorp collects in performance of its duties as Balancing Authority (matching load with resources), or any other operational purposes, is not the same quality as is required to provide QRE service.

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<sup>1</sup> A generator interconnected to the utility or for which the utility is the Balancing Authority but from whom the utility is not receiving renewable energy certificates.

## **OPUC Data Request 2**

Please estimate the number of hours per month the Company would spend on *each* incremental QRE Service Task/Activity identified by the Company in response to Staff Data Request Nos. 1a, 1b and 1c, above, to provide QRE service for an individual Third Party Generator.

## **Response to OPUC Data Request 2**

PacifiCorp estimates that it would require approximately two hours per month per Third Party Generator to perform each of the QRE Task/Activities identified by the Company. The time requirement for these Task/Activities is broken down as follows: one hour for data preparation, validation comparisons to generation reporting and FERC reports, WREGIS preparation, corrections and uploads; plus one hour for upstream work completed by other staff members, which includes meter interrogation, diagnostics, edits and checks.

### **OPUC Data Request 3**

PacifiCorp estimates the total time spent on QRE services for its "Owned Generators" and "Bundled REC Generators" is approximately 40 hours per month. See PacifiCorp's initial comments at 9-10. Please provide the following information:

- a. The number of Owned Generators included in this estimate
- b. The number of Bundled REC Generators included in this estimate
- c. The estimated number of hours spent on QRE services for an individual Owned Generator per month
- d. The estimated number of hours spent on QRE services for an individual Bundled REC Generator per month
- e. The estimated cost to the Company to provide QRE services for an individual Owned Generator per month

The estimated cost to the Company to provide QRE services for an individual Bundled REC Generator per month

### **Response to OPUC Data Request 3**

In the Company's initial comments, the approximate 40 hours per month only reflected the time spent for the data preparation activities and not the additional upstream work to be completed by other staff members. The time estimates below reflect the task/activities identified in Staff Data Request No.2.

- a. Owned Generators: 42 hydro plants with 76 generating units, 2 geothermal plants and 4 wind plants (Note that net generation is the WREGIS reporting requirement. The above does not reflect the additional meter interrogation required to capture station service data, as well as the gross generation for either the generator unit or the plant to enable PacifiCorp to provide that net generation to WREGIS.)
- b. 3 Bundled REC Generators
- c. 2 hours spent each month for QRE services per Owned Generator.
- d. 2 hours spent each month for QRE services per Bundled REC Generator.
- e. \$100 per month per Owned Generator/month.

- f. \$100 per month per Bundled REC Generator/month.

**OPUC Data Request 4**

Please refer to Staff Data Request No. 3. PacifiCorp is acquiring additional Owned Generators and Bundled REC Generators to meet resource needs and fulfill renewable portfolio standards. Based on integrated resource planning or other up-to-date assessments of renewable resource needs, please estimate the number of *additional* Owned Generators and Bundled REC Generators (those not included in the estimated 40 hours per month) for which PacifiCorp may be providing QRE service in the following years:

- a. Calendar year 2009
- b. Calendar year 2010
- c. Calendar year 2011

**Response to OPUC Data Request 4**

Based on PacifiCorp's most recent public integrated resource planning information (the 2007 IRP update report, dated June 11, 2008), the number of generators planned for 2009, 2010, and 2011 are six, three, and two, respectively. The IRP does not distinguish between owned and bundled REC generators.

**OPUC Data Request 6**

PacifiCorp states, “the Company estimates it would need at least one full time employee dedicated to the task of providing QRE services to potential generators within its control area.” See PacifiCorp’s initial comments at 12. Please explain:

- a. How the Company would ensure this employee would be solely employed to provide QRE services for Third Party Generators

How this employee would be used if demand for QRE services for Third Party Generators is insufficient to use all employee hours

**Response to OPUC Data Request 6**

- a. PacifiCorp has no way to ensure that this employee would be dedicated solely to the provision of QRE services for Third Party Generators because the Company has no way of knowing exactly how many potential generators will request QRE service
- b. PacifiCorp has yet to determine how this employee’s time would be allocated in the event that demand for QRE services for Third Party Generators is insufficient. PacifiCorp plans to reassess the demand for these services annually.

**OPUC Data Request 7**

Please refer to draft Schedule 325, filed on November 6, 2008. Please provide the estimated Service Charges — monthly fee plus hourly fee — for calendar year 2009, by cost element, if the Company designed the charges based on:

- a. Fully allocated cost
- b. Incremental cost

Provide the Company's definitions for items (a) and (b), provide the basis for the calculated charges, explain assumptions used, and include spreadsheets in electronic format with formula intact.

**Response to OPUC Data Request 7**

Draft Schedule 325 included in the November 6, 2008 filing, was provided for discussion purposes only and does not constitute a specific pricing proposal by the Company. Nonetheless, the Company responds as follows:

As explained in response to OPUC Data Request 1, all Task/Activities would be incremental work. The estimated service charges are based on a fully allocated cost based on an hourly rate for the employer of approximately \$50/hour. Based on this, the Company estimates the Service Charge under this pricing structure would be a \$100 monthly fee plus \$50 per hour for work performed in excess of "x" hours per month. The Company has not determined a reasonable number of hours for "x" at this time.

**OPUC Data Request 9**

Assuming the Company has metering data of sufficient quality for providing QRE service for a Third Party Generator, please list the one-time and recurring tasks/activities the Company would need to perform to provide a service comprised of reporting generation data monthly to a third party upon the generator's request.

**Response to OPUC Data Request 9**

PacifiCorp would need to execute an agreement with the third-party QRE provider. This would likely occur once, with the potential for subsequent renewals. The upstream work for meter interrogation identified in PacifiCorp's response to Staff's Data Request No. 2 would be recurring.

**OPUC Data Request 10**

Please refer to Staff Data Request No. 9. Estimate the cost of providing this service for an individual Third Party Generator. Provide the basis for the calculations, explain assumptions used, and include spreadsheets in electronic format with formula intact.

**Response to OPUC Data Request 10**

The estimated cost of this service is \$100 per month, based on an employee cost of \$50/hour for one hour.

**OPUC Data Request 11**

Please explain how the Company accounts for the costs it incurs for providing QRE services for its Owned Generators and Bundled REC Generators, including how any internal charges for such services are accounted for among various units of the Company. Please use FERC accounts that journal entries are recorded to.

**Response to OPUC Data Request 11**

These costs are included in FERC Account 920 – Admin and General Salary.

**OPUC Data Request 12**

Please refer to Staff Data Request 11, above. Does the Company plan to include such costs in its forthcoming general rate case? If so, under which FERC accounts will such charges will be included?

**Response to OPUC Data Request 12**

Yes, the Company expects to include such costs in the forthcoming general rate case. These costs would be reflected under FERC Account 920.

UM-1394 / PacifiCorp  
December 8, 2008  
OPUC Data request 16

**OPUC Data Request 16**

Please explain whether PacifiCorp believes benefits would accrue to Oregon ratepayers by enlarging the pool of qualifying electricity and unbundled renewable energy certificates eligible to meet Oregon renewable portfolio standards through provision of QRE service by public utilities.

**Response to OPUC Data Request 16**

As a general matter, the Company believes benefits could ultimately accrue to its Oregon ratepayers by enlarging the pool of qualifying electricity and unbundled renewable energy certificates eligible to meet Oregon RPS through the provision of QRE service by public utilities. PacifiCorp believes, however, that such benefits must be evaluated in the context of their relative costs.

**STAFF REQUEST 2:**

Please estimate the number of hours to provide QRE service for an individual Third Party Generator for *each* incremental activity identified by the Company in response to Staff Data Request Nos. 1a, 1b and 1c, above, distinguishing between one-time start-up activities and monthly activities.

**IDAHO POWER COMPANY RESPONSE:**

*Idaho Power believes it is reasonable to assume the monthly hours required to provide QRE services to all three types of generators referenced in Question 1 would be approximately the same.*

**One Time Start Up Activities**

- 1) *Metering and Telemetering equipment – Idaho Power is not able to provide a generic estimate of these costs due to the very substantial differences that may exist due to the individual generation unit's existing equipment and unique requirements of each site.*
- 2) *Initial Set up and Contract Processing – this will involve the time spent discussing and explaining the contract to the customer, legal contract review, execution of the contract, setting the contract up in billing and compliance tracking systems and the interaction with WREGIS establishing the QRE relationship with the Generator. Idaho Power estimates this initial setup process will require approximated 6.5 hours per generation unit.*

**Monthly Recurring Activities**

*Based upon Idaho Power experiences with similar meter data processes the Company estimates it would take approximately 1 hour per month for the Meter data collection and validation of the Revenue-Quality Meter Output for each Generation Unit and an additional 0.5 hours per month to prepare and providing the data to WREGIS as specified in the WREGIS Interface Control Document.*

**STAFF REQUEST 3:**

Please estimate the Company's total time and cost per month for QRE services for owned and contracted renewable resource facilities for which the Company acquires renewable energy certificates. Include in your response the following information:

- a. The number of owned facilities included in the estimate.
- b. The number of contracted facilities included in the estimate
- c. The estimated number of hours spent on QRE services for an individual owned facility per month
- d. The estimated number of hours spent on QRE services for an individual contracted facility per month
- e. The estimated cost to the Company to provide QRE services for an individual owned facility per month
- f. The estimated cost to the Company to provide QRE services for an individual contracted facility per month

**IDAHO POWER COMPANY RESPONSE:**

*Idaho Power does not currently track REC's from any Idaho Power owned generation facilities. Therefore questions a, c, and e are not applicable to Idaho Power.*

*Idaho Power is currently using WREGIS to track REC's from two renewable energy projects. Idaho Power is the sole purchaser of energy from these projects and contractually is acquiring all or a portion of the REC's from these projects. Idaho Power spends approximately 1.5 hours per project per month performing this service at a cost of approximately \$74.88 per hour. This equates to a total cost per project of \$112.31 per month, and a combined total of \$224.62 per month for both projects.*

**STAFF REQUEST 4:**

Please refer to Staff Data Request No. 3. Idaho Power plans to acquire additional owned or contracted renewable energy facilities, or both, to meet resource needs. Based on integrated resource planning or other up-to-date assessments of renewable resource needs, please estimate the number of *additional* owned and contracted facilities (those not included in 3a and 3b, above) for which the Company may be providing QRE service in the following years:

- a. Calendar year 2009
- b. Calendar year 2010
- c. Calendar year 2011

**IDAHO POWER COMPANY RESPONSE:**

*PURPA Projects – Idaho Power currently has contracts with various PURPA wind projects. Approximately 30 MWs estimated to be online in 2009 and an additional 160 MWs estimated to be online in 2010.*

*Utility Projects - Idaho Power is currently working with its Integrated Resource Plan Advisory Counsel (IRPAC) to determine the additional renewable resources that will be proposed in its 2009 IRP that is due to be filed in June. For this reason, Idaho Power is not prepared to publish estimates of additional renewable resources at this time.*

**STAFF REQUEST 6:**

Please explain under which of the following cases the company would *not* have generator metering data of sufficient quality for providing QRE service:

- a. The generator is located in the Company's Oregon service territory and is interconnected to the Company's distribution or transmission system under a valid interconnection agreement
- b. The generator is located in Oregon and the Company serves as its Balancing Authority, but the generator is not located in the Company's allocated Oregon service territory
- c. The generator is located in the Company's allocated service territory or control area, or both, but is not interconnected with the Company

**IDAHO POWER COMPANY RESPONSE:**

*As stated in Idaho Power's response to question 1, one of keys to evaluating whether the Company is receiving adequate meter data is determining if the meter data being received will meet the requirements of the WREGIS process.*

- a. The generator is located in the Company's Oregon service territory and is interconnected to the Company's distribution or transmission system under a valid interconnection agreement.

*Some generation units are connected to the distribution system and/or the metering may be on the low side of the transformers. Both of these items disqualify the metering as being Revenue-Quality Meter Output as defined by WREGIS.*

- b. The generator is located in Oregon and the Company serves as its Balancing Authority, but the generator is not located in the Company's allocated Oregon service territory.

*It would be assumed these generators are connected to or deliver to the Idaho Power transmission system. Therefore the location of the metermeasuring and method of reporting this generation data would need to be evaluated to determine whether it met the WREGIS metering requirements.*

- c. The generator is located in the Company's allocated service territory or control area, or both, but is not interconnected with the Company.

*As the generation unit is not interconnected to the Company there would be no Revenue-Quality Meter Output data available.*

**STAFF REQUEST 7:**

Assuming the Company has metering data of sufficient quality for providing QRE service for a Third Party Generator, please list the one-time and recurring activities the Company would need to perform to provide a service comprised of reporting generation data monthly to a third party upon the generator's request.

**IDAHO POWER COMPANY RESPONSE:**

*Assuming that the third party in question is providing meter data to a third party who is not WREGIS:*

*If the generator expects Idaho Power to provide meter data that meets the WREGIS requirements, Idaho Power would incur all of the same costs as it would in providing the QRE service except for the process of interacting with WREGIS to set up the Generation Unit and the final process of the monthly reporting to WREGIS. See Attachment 1 for a sample QRE contracting process.*

*If Idaho Power is simply asked to provide the meter data as is currently reported to Idaho Power 1) if Idaho Power is purchasing the energy from the project, this data is already being supplied to the project in the monthly energy payment calculation 2) if Idaho Power is not purchasing the energy from the project, and this energy is being sold to another entity outside of Idaho Power's service territory, this meter data is already being provided to the generator via the billing process between the generator and the generator's customer.*

**STAFF REQUEST 8:**

Please refer to Staff Data Request No. 7. Estimate the cost of providing this service for an individual Third Party Generator. Provide the basis for the calculations, explain assumptions used, and include spreadsheets in electronic format with formula intact.

**IDAHO POWER COMPANY RESPONSE:**

*A spreadsheet is attached that calculates a one-time set up fee and a monthly service charge for WREGIS QRE service.*

**STAFF REQUEST 9:**

Please explain how the Company accounts for the costs it incurs for providing QRE services for its owned and contracted renewable resource facilities, including how any internal charges for such services are accounted for among various units of the Company. Please use FERC accounts that journal entries are recorded to.

**IDAHO POWER COMPANY RESPONSE:**

*Idaho Power accounts for the direct costs it incurs to provide QRE services for its contracted renewable resource facilities within FERC account 557 and indirect charges for this service are accounted for within the appropriate A&G accounts.*

**STAFF REQUEST 10:**

Please refer to Staff Data Request 9, above. Does the Company plan to include such costs in a future general rate case? If so, under which FERC accounts will such charges will be included?

**IDAHO POWER COMPANY RESPONSE:**

*Idaho Power plans to include the operating costs referenced in Question 9 in future general rate cases. The direct charges will be accounted for in FERC account 557, while the indirect charges will be accounted for within the appropriate A&G accounts.*

December 5, 2008

TO: Vikie Bailey-Goggins  
Oregon Public Utility Commission

FROM: Doug Kuns  
Manager, Pricing and Tariffs

**PORTLAND GENERAL ELECTRIC  
UM 1394  
PGE Response to OPUC Data Request  
Dated November 19, 2008  
Question No. 003**

**Request:**

**Please explain the basis for assuming PGE would provide QRE service for a total of 10 MW of generators other than Company-owned low-impact hydroelectric facilities, including whether all of these other generators would be Third Party Generators. See PGE's initial comments, Attachment 2 at 2, filed November 6, 2008. Include in your response the time period assumed.**

**Response:**

PGE does not know the number of generators that may request QRE service, nor does the Company know the number or size of generators in the service territory. The actual number of Third Party Generators in PGE's service territory and requesting QRE service could vary significantly from the assumption used in the initial draft tariff. Although no specific time period was assumed, PGE believes actual experience in the future would provide a basis for adjusting pricing and scope of services offered.

The assumption of ten 1 mW generators was used for the purposes of determining the costs of providing the service. The incremental costs were assumed to be divided between the Company-owned low-impact hydroelectric facilities (50 mW) and the Third Party Generators using a weighted average based on load ( $1/60 = .01667$  of the total cost per generator).

December 5, 2008

TO: Vikie Bailey-Goggins  
Oregon Public Utility Commission

FROM: Doug Kuns  
Manager, Pricing and Tariffs

**PORTLAND GENERAL ELECTRIC  
UM 1394  
PGE Response to OPUC Data Request  
Dated November 19, 2008  
Question No. 004**

**Request:**

**Please provide workpapers for each fee in the draft schedule for the WREGIS renewable energy certificate reporting service PGE filed on November 6, 2008. Include in your response the basis for the “estimated incremental costs” for designing data collection and reporting programs and the basis for individual generator set-up costs, both of which would be recovered through the “QRE set-up cost recovery charge,” as well as the basis for assuming 0.5 FTE is needed to maintain monthly QRE service for 60 MW of generation. See PGE’s initial comments, Attachment 2 at 2-3. Also include a list of required QRE activities that each fee would support with a breakdown by cost element.**

**Response:**

Attachment 004-A describes the process for PGE to become a QRE, set up accounts, and provide monthly QRE services.

The hours and fees described are very rough estimates and should be considered preliminary and subject to adjustment. Cost estimates are PGE labor-related.

**UM 1394**  
**Attachment 004-A**

PGE QRE Process

## PGE QRE Process/Costs Initial Analysis

### Start Up Process

1. Register as a QRE with WREGIS. 20 hrs @ \$50 hr = \$1000.
  - a. Read and sign the WREGIS Terms of Use Agreement.
  - b. Submit online application.
  - c. Submit FERC form 714 for the most recent year by email.
  - d. Sign affidavit declaring the Company agrees to the Qualified Reporting Entity (QRE) Guidelines and protocol established in the Interface Control Document (ICD).
  - e. Receive email describing account activation.
  
2. Set up system to store WREGIS Account Holder data to be submitted to WREGIS. 80 hrs @ \$50 hr = \$4000.
  
3. Set up automated data file conversion for purposes of reporting to WREGIS. 80 hrs @ \$50 hr = \$4000.
  
4. Train an analyst 3 on the following: 80 hrs @ \$50 hr = \$4000.
  - a. WREGIS Account Holder application process.
  - b. QRE reporting to WREGIS process.
  - c. Fielding calls/email from WREGIS Account Holders.
  
5. Test the system. 40 hrs @ \$50 hr = \$2000.

Total minimum estimated Start Up Costs = \$15,000

Generator	Nameplate Capacity per Generator	Estimated Cost *
Start Up Costs; register as QRE, train employee, and set up system to manage data		\$15,000
Allocation to: Pelton/Round Butte	50 MW	\$12,500
Allocation to: Ten Non-PGE Generators	1 MW	\$250
Plus: costs to establish service, review agreement, and set up account		\$150
Total One Time Set Up Fee per Non-PGE Generator		\$400

\* Cost is allocated using a weighted average based on nameplate capacity

**WREGIS Account Holder Registration and Reporting Process – Non-PGE Resources**

1. The renewable resource generator asks the company to provide QRE service.
2. The Company gives the resource generator a list of prerequisites that need to be completed prior to signing a contract to receive QRE services.
  - a. Possess a generation facility with a nameplate capacity greater than 360 kW at a site connected to the Company’s distribution. The facility must be located within the Company’s retail service territory.
  - b. Become a WREGIS Account Holder.
  - c. Register the renewable resource with WREGIS.
  - d. Pay any applicable fees to WREGIS.
  - e. Possess an interconnection agreement with the Company, if required.
  - f. Acquire the necessary metering equipment, provided by the Company.
3. The renewable resource generator, now known as the WREGIS Account Holder, enters into a WREGIS Reporting Service Agreement with the Company. The WREGIS Account Holder pays the new account fee.
4. The Company gathers meter data, either remotely or using an onsite reading.
5. The Company transforms data into a file and uploads data to WREGIS, as outlined in the Interface Control Document (ICD) monthly.
6. The Company bills the WREGIS Account Holder per kWh for collecting data and reporting to WREGIS.
7. The WREGIS Account Holder notifies the Company of any discrepancies or adjustments and adjustments are made as necessary.

Generator	Nameplate Capacity per Generator	Estimated Annual Cost	Estimated Cost Per Month *
One half full time equivalent employee, annually		\$50,000	
Allocation to: Pelton/Round Butte	50 MW		\$3,472
Allocation to: Ten Non-PGE Generators	1 MW		\$69
Plus: Maintain system and accounts			\$16
<b>Total Monthly Fee per Non-PGE Generator</b>			<b>\$85</b>

\* Cost is allocated using a weighted average based on nameplate capacity

December 5, 2008

TO: Vikie Bailey-Goggins  
Oregon Public Utility Commission

FROM: Doug Kuns  
Manager, Pricing and Tariffs

**PORTLAND GENERAL ELECTRIC  
UM 1394  
PGE Response to OPUC Data Request  
Dated November 19, 2008  
Question No. 011**

**Request:**

**Please explain how the Company plans to account for the costs it will incur for providing QRE services for its owned facilities and contracted facilities for which it acquires renewable energy certificates, including how any internal charges for such services would be accounted for among various units of the Company. Please use FERC accounts that journal entries are recorded to.**

**Response:**

Currently, PGE expects to record costs for providing QRE services for PGE owned and contracted facilities to FERC account 557 "Other Expenses" under Other Power Supply Expenses.

December 5, 2008

TO: Vikie Bailey-Goggins  
Oregon Public Utility Commission

FROM: Doug Kuns  
Manager, Pricing and Tariffs

**PORTLAND GENERAL ELECTRIC  
UM 1394  
PGE Response to OPUC Data Request  
Dated November 19, 2008  
Question No. 012**

**Request:**

**Please refer to Staff Data Request 11, above. Did the Company include such costs in Docket UE 197, or does the Company plan to do so in a future general rate case? If so, under which FERC accounts would such charges be included?**

**Response:**

PGE considers the UE 197 filing to include labor to accommodate WREGIS reporting.

Contract No. 08TX-XXXXX

**QUALIFIED REPORTING ENTITY AGREEMENT**

executed by the

**BONNEVILLE POWER ADMINISTRATION**

and

**CUSTOMER NAME**

(Providing for voluntary reporting of certain meter information by Bonneville Power Administration to the Western Renewable Energy Generation Information System)

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Exhibit A    Meter Points

This QUALIFIED REPORTING ENTITY AGREEMENT (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (Bonneville), and CUSTOMER NAME (Account Holder). The Account Holder is a Cooperative. Bonneville and the Account Holder are sometimes referred to individually as "Party" and collectively as "Parties."

## RECITALS

The Western Renewable Electricity Generation Information System (WREGIS) is an independent, renewable energy tracking system for the region covered by the Western Electricity Coordinating Council (WECC). WREGIS tracks renewable energy generation from units that register in the system using verifiable Data and creates renewable energy certificates (RECs) for this generation. Participation in WREGIS is voluntary.

Bonneville has voluntarily registered with WREGIS to serve as a Qualified Reporting Entity (QRE) and has been approved as a QRE by the WREGIS Administrator.

The Northwest Power Act, 16 U.S.C. § 839(1)(B), encourages the development of renewable resources within the Pacific Northwest. The Parties anticipate that WREGIS will play an important role in facilitating a market for RECs and, therefore, WREGIS will encourage the development of renewable resources within the region covered by the WECC, which includes the Pacific Northwest. Because of Bonneville's extensive Balancing Authority Area, Bonneville is uniquely suited to be a QRE for numerous entities in the Pacific Northwest. By serving as a QRE, Bonneville will make it possible for such entities to participate in WREGIS. Accordingly, serving as a QRE will further Bonneville's statutory direction.

The Account Holder has voluntarily registered as an Account Holder in WREGIS and registered certain Generating Units with WREGIS.

The Account Holder wishes to select Bonneville to act as its QRE for the Generating Units that the Account Holder has registered with WREGIS.

NOW THEREFORE, in order to define the roles and responsibilities that arise as Bonneville serves as the Account Holder's QRE, the Parties agree as follows:

### 1. TERM AND TERMINATION

This Agreement shall be effective upon execution by the Parties and shall continue in effect until such time as either Party, upon providing 60 days written notice to the other Party, chooses to terminate.

## 2. INCORPORATION OF WREGIS DOCUMENTS

There are three documents that govern the relationship between the Account Holder and WREGIS, as well as the relationship between Bonneville and WREGIS. They are:

- (a) WREGIS Terms of Use (a.k.a. Account Holder Registration Agreement). The WREGIS Terms of Use Agreement (WREGIS TOU) incorporates by reference the WREGIS Operating Rules and WREGIS Interface Control Document.
- (b) WREGIS Operating Rules
- (c) WREGIS Interface Control Document

These documents are general, form agreements which must be executed by all Account Holders (including Account Holders acting as QREs) wishing to use WREGIS. Bonneville has a signed Terms of Use Agreement in effect with WREGIS. The Account Holder also has a signed Terms of Use Agreement in effect with WREGIS.

This QRE Agreement hereby incorporates by reference, in their entirety, the general, form versions of the WREGIS TOU, Operating Rules, and Interface Control Document (each available at [www.wregis.org](http://www.wregis.org) or by contacting the WREGIS Administrator) and any subsequent revisions to or versions thereof. This QRE Agreement refers to these three WREGIS documents for definitional and other binding purposes. However, these three WREGIS documents shall apply to this QRE Agreement only to the extent Bonneville determines is consistent with its implementation of Bonneville's governing statutes (the Bonneville Project Act of 1937, 16 U.S.C. §§ 832–832i; the Regional Preference Act of August 31, 1964, 16 U.S.C. §§ 837–837h; the Federal Columbia River Transmission System Act, 16 U.S.C. §§ 838–838i; and the Northwest Power Act, 16 U.S.C. §§ 839–839h) and any other applicable federal law or regulation.

## 3. DEFINITIONS

- (a) “Account Holder” is defined in section 2 of the WREGIS Operating Rules.
- (b) “Balancing Authority” is defined in attachment 1 of the WREGIS TOU.
- (c) “Certificate” is defined in section 2 of the WREGIS Operating Rules.
- (d) “Confidential Information” is defined in attachment 1 of the WREGIS TOU.
- (e) “Data” is defined in attachment 1 of the WREGIS TOU.
- (f) “Generating Unit” (GU) is defined in section 2 of the WREGIS Operating Rules.
- (g) “Metering External Webpage” means a website owned and operated by Bonneville located at: <https://mdm.transmission.bpa.gov/mdmr/app/login.jsp>

which displays all Data that will be included in the Monthly Generation Extract File.

- (h) "Monthly Generation Extract File" means a Data file that contains generation Data from the Account Holder's Points of Metering and conforms to the characteristics and requirements set forth in the WREGIS Interface Control Document.
- (i) "Output" is defined in attachment 1 of the WREGIS TOU.
- (j) "Pacific Northwest" means the definition set forth in the Northwest Power Act, at 16 U.S.C. § 839a(14).
- (k) "Points of Metering" means the points at which electric generation is measured.
- (l) "Qualified Reporting Entity" (QRE) is defined in attachment 1 of the WREGIS TOU.
- (m) "Renewable" is defined in section 2 of the WREGIS Operating Rules.
- (n) "Revenue-Quality Meter Output" is defined in section 2 of the WREGIS Operating Rules.
- (o) "Settlement Estimation Procedures" means a calculation based on standard utility estimation rules using algorithms developed and approved by Bonneville's billing department.
- (p) "Station Service" is defined in section 2 of the WREGIS Operating Rules.
- (q) "WECC" is defined in section 2 of the WREGIS Operating Rules.
- (r) "Western Interconnection" is defined in Attachment 1 of the WREGIS TOU.
- (s) "Western Renewable Energy Generation Information System" (WREGIS) is defined in recital 1 of the WREGIS TOU.
- (t) "Wholesale Generation Also Serving On-Site Loads" is defined in section 2 of the WREGIS Operating Rules.
- (u) "Working Day" means a day of the week other than Saturday, Sunday, or a federal holiday.

**4. EXHIBITS**

There is one exhibit to this Agreement, which is hereby incorporated by reference as Exhibit A, Meter Points.

**5. SCOPE**

The Parties acknowledge that Bonneville will serve as a QRE only for Generating Units that meet the definition of Renewable, are within the metered boundaries of Bonneville's Balancing Authority, and are equipped with either: (1) Bonneville owned and operated meters; or (2) meters that meet Bonneville's 2005 Technical Requirements for Generation Interconnection, and any subsequent revisions to or versions thereof.

The specific Points of Metering that Bonneville will use as a QRE for the Account Holder are set forth in Exhibit A. By signing this Agreement, the Account Holder certifies that all Points of Metering listed in Exhibit A measure Data only from Generating Units that meet the definition of Renewable.

The Account Holder shall notify Bonneville at least thirty (30) Working Days prior to making any material changes to the Points of Metering set forth in Exhibit A. Such notice shall comply with the Notices and Contact Information procedures of section 12 of this Agreement. Following such notification, the parties will decide whether such changes are mutually acceptable and can be added to Exhibit A.

**6. QUALIFIED REPORTING ENTITY**

Bonneville will serve as a Qualified Reporting Entity (QRE) to report the Account Holder's renewable generation Data to WREGIS. In order for Bonneville to be able to perform this function, the Account Holder shall submit such Data to Bonneville by allowing Bonneville to collect such Data, at the Points of Metering set forth in Exhibit A, and in the manner set forth in sections 7, Reporting, and 8, Measurement.

**7. REPORTING**

**(a) Monthly Generation Extract File**

Once a month Bonneville shall submit a Monthly Generation Extract File to WREGIS on the Account Holder's behalf, which will conform to the characteristics and Data requirements set forth in the WREGIS Interface Control Document.

- (b) **Reporting Cycle**  
Bonneville shall submit the Monthly Generation Extract File to WREGIS no sooner than the last Working Day of each month for Data collected during the previous month, or previous portion of month.
- (c) **Verification**  
The Account Holder shall have access to Bonneville's Metering External Webpage, located at: <https://mdm.transmission.bpa.gov/mdmr/app/login.jsp> At any time until Bonneville submits the Monthly Generation Extract File to WREGIS, the Account Holder may notify Bonneville in writing at [mdm@bpa.gov](mailto:mdm@bpa.gov) of any perceived errors in Data reflected on Bonneville's Metering External Webpage. This notification is an exception to the provisions of section 12, Notices and Contact Information.
- (d) **Adjustments**  
After Bonneville submits the Monthly Generation Extract File to WREGIS, the Parties acknowledge that any information contained in the Monthly Generation Extract File shall be final for purposes of WREGIS reporting, subject only to the adjustment procedures set forth in section 9.4 of the WREGIS Operating Rules.

## 8. MEASUREMENT

- (a) **Meter Data**
  - (1) **Availability**  
The Account Holder authorizes Bonneville's metering services organization to provide the Account Holder's meter Data directly to WREGIS in the form of the Monthly Generation Extract File.
  - (2) **Wholesale Generation Also Serving On-Site Loads**  
If the Account Holder has any Wholesale Generation Also Serving On-Site Loads, such Generating Units will need to have the on-site load generation metered (and registered) separately from the generation that is supplied to the grid. Otherwise, Bonneville will not report any Data from such Generating Units. If such Generating Units exist, they must be specified in Exhibit A.
- (b) **Estimates**  
When meter readings are not available due to meter hardware failure or Data that is determined to be invalid due to meter malfunction or calibration/configuration error, Bonneville will, if possible, rely on readings from redundant meters whether such meters are Bonneville owned or not. If readings from redundant meters are not possible, Bonneville will estimate and report meter Data according to Bonneville's Settlement Estimation Procedures.

**9. INDEMNITY, HOLD HARMLESS AND WAIVER**

**(a) Acknowledgment and Consideration**

The Parties acknowledge that Bonneville is voluntarily agreeing to serve as a QRE and will receive no monetary compensation from the Account Holder for performing the QRE function. Bonneville's consideration for performing the QRE function shall be: (1) the furtherance of its statutory directive to encourage the development of renewable resources within the Pacific Northwest, as described above in the Recitals; and (2) this Indemnity, Hold Harmless and Waiver provision (section 9).

**(b) Account Holder Solely Responsible for Data Submitted to Bonneville**

The Account Holder is solely responsible for the Data created and submitted to Bonneville, acting as a QRE, to forward to WREGIS.

Pursuant to this Agreement the Account Holder provides permission to Bonneville to gather Data from the Points of Metering listed in Exhibit A. All such Data is considered Data which the Account Holder has created and submitted to Bonneville, notwithstanding the fact that Bonneville, rather than the Account Holder will gather it.

**(c) Indemnity and Hold Harmless**

The Account Holder shall indemnify and hold Bonneville, its officers, employees, agents, or representatives, harmless for any and all liability that is in any way associated with Bonneville's performance of the QRE function. This includes, but is not limited to, liability arising from: the Data contained in the Monthly Generation Extract File, or any other financial injury, or damage to persons or property.

**(d) Waiver of Causes of Action and Claims for Damages**

The Account Holder further agrees to waive any and all causes of action arising under or in respect to this Agreement, whether in contract, tort or any other legal or equitable theory (including strict liability) against Bonneville. In no event shall Bonneville be liable to the Account Holder its board of directors, employees, agents, or representatives for any demands, direct costs, lost or prospective profits or any other losses, liabilities or expenses, whether special, punitive, exemplary, consequential, incidental, or indirect in nature, that are in any way associated with Bonneville's performance of the QRE function or that are under or in respect of this Agreement. This includes, but is not limited to, damages based on Data contained in the Monthly Generation Extract File, or any other damages arising from financial injury or damage to persons or property.

**10. NOTICE REGARDING CONFIDENTIALITY AND FOIA**

By signing this Agreement, the Account Holder acknowledges that, pursuant to section 11 of the WREGIS TOU, any generation Data that Bonneville, acting as a QRE, provides to WREGIS shall reside in WREGIS and the Account Holder will

have no control over such Data's use other than that provided for under the WREGIS TOU.

By signing this Agreement the Account Holder further acknowledges that, confidentiality of information shall be governed by section 13 of the WREGIS TOU; provided, however, that Bonneville is a federal agency and, as such, Bonneville may release information provided by the Account Holder to comply with the Freedom of Information Act (FOIA) or if required by any other federal law or court order.

## 11. STANDARD PROVISIONS

### (a) Amendments

Except where this Agreement explicitly allows for one Party to unilaterally amend a provision or revise an exhibit, no amendment or exhibit revision to this Agreement shall be of any force or effect unless set forth in a written instrument signed by authorized representatives of each Party.

### (b) Entire Agreement and Order of Precedence

This Agreement, including documents expressly incorporated by reference, constitutes the entire agreement between the parties. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement. The body of this Agreement shall prevail over the exhibits to this Agreement in the event of a conflict.

### (c) Information Exchange

To the extent not set forth in previous sections of this Agreement, the Parties shall provide each other with any information that is reasonably required to administer this Agreement.

### (d) Assignment

This Agreement is binding on any successors and assigns of the Parties. Neither Party may otherwise transfer or assign this Agreement, in whole or in part, without the other Party's written consent. Such consent shall not be unreasonably withheld.

### (e) No Third-Party Beneficiaries

This Agreement is made and entered into for the sole benefit of the Parties, and the Parties intend that no other person or entity shall be a direct or indirect beneficiary of this Agreement.

### (f) Waivers

No waiver of any provision or breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving Party, and any such waiver shall not be deemed a waiver of any other provision of this Agreement or any other breach of this Agreement.

**(g) Each Party Has Read Agreement**

Each Party represents and warrants that it or its responsible agent has read this Agreement and understands its contents.

**(h) Governing Law and Dispute Resolution**

This Agreement shall be interpreted consistent with and governed by Federal law.

The Parties shall identify issue(s) in dispute and make a good faith effort to negotiate a resolution of disputes before either Party may initiate litigation. Such good faith effort shall include discussions or negotiations between the Parties' executives or managers. During a contract dispute or contract issue between the Parties arising out of this Agreement, the Parties shall continue performance under this Agreement pending resolution of the dispute, unless to do so would be impossible or impracticable. Both Parties reserve the right to seek judicial resolution of any dispute arising under this Agreement.

**12. NOTICES AND CONTACT INFORMATION**

Any notice required under this Agreement shall be in writing and shall be delivered: (a) in person; or (b) with proof of receipt, by a nationally recognized delivery service or by United States Certified Mail.

Notices are effective when received. Either party may change the name or address for receipt of notice by providing notice of such change. The parties shall deliver notices to the following person and address:

**If to the Account Holder:**

*(Customer Name)*  
*(Customer Address)*  
*(Customer City, State, Zip)*  
Attention: *(Customer Contact)*  
Title: *(Customer Title)*  
Phone:  
Fax:

**If to Bonneville:**

Attention: Transmission Account Executive  
for Customer Name – TSE/TPP-2  
Phone: (360) 619-6016  
Fax: (360) 619-6940

**If by First Class Mail:**

Bonneville  
Power Administration  
P.O. Box 61409  
Vancouver, WA 98666-1409

**If by Overnight Delivery Service:**

Bonneville Power Administration – TSE/TPP-2  
7500 NE 41<sup>st</sup> Street, Suite 130  
Vancouver, WA 98662-7905

13. SIGNATURES

Each Party represents that it has the authority to execute this Agreement and that it has been duly authorized to enter into this Agreement.

CUSTOMER NAME

UNITED STATES OF AMERICA  
Department of Energy  
Bonneville Power Administration

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_  
*(Print/Type)*

Name: \_\_\_\_\_  
*(Print/Type)*

Title: \_\_\_\_\_

Title: Transmission Account Executive

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**CERTIFICATE OF SERVICE**

**UM 1394**

I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-13-0070, to the following parties or attorneys of parties.

Dated at Salem, Oregon, this 12th day of December, 2008.



---

Kay Barnes  
Public Utility Commission  
Regulatory Operations  
550 Capitol St NE Ste 215  
Salem, Oregon 97301-2551  
Telephone: (503) 378-5763

**UM 1394  
Service List (Parties)**

PACIFIC POWER OREGON DOCKETS	825 NE MULTNOMAH STREET, STE 2000 PORTLAND OR 97232 oregondockets@pacificcorp.com
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<b>DEPARTMENT OF JUSTICE</b>  MICHAEL T WEIRICH ASSISTANT ATTORNEY GENERAL	REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 michael.weirich@doj.state.or.us

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