

469A.210.

(1) The Legislative Assembly finds that community-based renewable energy projects, including but not limited to marine renewable energy resources that are either developed in accordance with the Territorial Sea Plan adopted pursuant to [ORS 196.471](#) or located on structures adjacent to the coastal shorelands, are an essential element of Oregon's **this state's** energy future, ~~and declares that it is the goal of the State of Oregon that,~~

(2) For purposes related to the findings in subsection (1) of this section, by the year 2025, at least eight percent of Oregon's ~~retail electrical load comes from~~ the aggregate electrical capacity of all electric companies that make sales of electricity to 25,000 or more retail electricity consumers in this state must be composed of electricity generated by one or both of the following sources:

(a) ~~Small-scale renewable energy projects with a generating capacity of 20 megawatts or less. All agencies of the executive department as defined in ORS 174.112 shall establish policies and procedures promoting the goal declared in this section;~~ or

(b) **Facilities that generate electricity using biomass that also generate thermal energy for a secondary purpose.**

ISSUE	PROS	CONS	STAFF'S PROPOSED RULES AND POSSIBLE REVISIONS
1. Denominator: Aggregate System Capacity			
Demand Value: forecasted peak load plus reserve margin	Easy solution as the value is updated often in IRPs (<i>Staff</i>).	Peak load is contradictory to the statutory language of "electrical capacity" (<i>CREA-REC</i>). Doesn't equally compare capacity between the numerator and the denominator (<i>Staff</i>).	This would be a change from Staff's rules and if selected, the Commission should address if PacifiCorp's value is Oregon's peak during system peak, or Oregon's allocation of system peak.
Supply Value: all generation resources	Symmetry with using nameplate capacity in numerator and denominator, allowing a clear comparison (<i>RNW, PGE, and Staff</i>). Plain language of the statute speaks to capacity and it makes more sense for the denominator to be a measure of supply rather than demand. (<i>CREA-REC and RNW</i>).	Market purchases require additional scrutiny. Options include: -include the maximum delivery of the contract (<i>Staff</i>). -include Power Purchase Agreements (PPA) with a term beyond the utility's action plan window (beyond 2-4 years) (<i>RNW</i>).	Staff's rules are the sum of nameplate capacity of a utility's supply side resources and market purchases. If selected, the Commission should address whether the market purchases should only include long-term purchases, and if so, what is the demarcation point between short-term and long-term, as well as how to address seasonal contracts.
2. Numerator: Applicable Projects			
Nameplate Capacity	Nameplate capacity is a measure of the maximum potential	"Generating capacity" is nameplate and is distinct from "electrical capacity"	Staff's rules direct utilities to sum the nameplate

	to generate power, and this measure is consistent with a nameplate denominator and easy to verify (<i>RNW</i>).	which is what the statute uses and means contribution to peak. Using nameplate is inconsistent with the statute’s use of “aggregate electrical capacity” (<i>CREA-REC</i>).	capacity of eligible projects to calculate the numerator. If selected, the Commission does not need to make any changes but does need to address the Oregon location requirement and Renewable Attributes (below).
Contribution to Peak	Contribution to peak reflects the makeup of the aggregate system capacity. (<i>Staff</i>). The statute’s use of “electrical capacity” should be noted and separately defined as contribution to peak. The rules should list recent contribution to peak values that may be assigned to each type of resource (<i>CREA-REC</i>).	Administratively complex to annually determine when peaks occur and each individual project’s contribution to them. (<i>Staff and RNW</i>).	If selected, the Commission should specify the mechanics of assigning a contribution to peak value.
Oregon location requirement	Furtheres the purpose of the standard by requiring the utilities to invest in resources the legislature found are “an essential element of this state’s energy future” (<i>Staff and CREA-REC</i>).	Could be inconsistent with the dormant Commerce Clause unless the state has a legitimate reason to distinguish between in-state and out-of-state resources (<i>Staff and PAC</i>). The statute does not include locational restrictions and none should be applied (<i>PAC</i>).	Staff’s rules provide that only projects located within Oregon qualify. Staff treats the Oregon-only utility and multi-state jurisdictional utilities the same. If selected, no changes are needed.
Renewable Attribute ownership	The proposed rules don’t use or retire RECs, but show ownership of environmental attributes (<i>Staff</i>). The rules appropriately require the utility to own the	Renewable attributes are not necessary because this mandate is about production in MW and, in contrast, a REC is about consumption of energy in MWh (<i>RNW</i>). The solar PV capacity standard only required the utility to	Staff’s rules require that utilities show projects are renewable by showing ownership of the renewable attributes associated with projects’ generation. Staff states that RECs associated with this standard may be used

	renewable attributes, consistent with the rest of the RPS and the definition is consistent with PURPA qualifying facilities during the renewable deficiency period (<i>CREA-REC</i>).	report the nameplate capacity of the resource with other information to determine resource eligibility (<i>RNW and PAC</i>). The proposed rules contain complicated and problematic language, the proposed definition of renewable attribute conflicts with ODOE’s existing definition of REC, the statute does not require RECs, and double claiming of environmental attributes is typically prohibited (<i>PGE</i>). Net metered projects should count toward the 8% because it meets the statutes two standards (1) under 20 MW, and (2) renewable type (<i>PGE and PAC</i>).	to comply with Oregon’s Renewable Portfolio Standard (RPS). Staff states its first definition was too broad and the current rules require that utilities show ownership of renewable attributes that are represented by an Oregon-RPS complaint REC. If selected, the Commission may address PacifiCorp’s request for clarification that eligible capacity is not limited to the share of environmental attributes as allocated under an inter-jurisdictional allocation methodology.
3. Compliance			
Ongoing compliance obligation	Ongoing compliance will promote development of solar energy in Oregon, which aligns with legislative intent (<i>RNW and OSEIA</i>). The legislature would have clearly stated it was a one-time requirement if that was the intent (<i>RNW</i>). The intent is that the projects become <i>and remain</i> part of the state’s energy future (<i>CREA-REC</i>).	There is nothing in the statute that requires compliance beyond 2025 (<i>PAC</i>).	Staff’s rules require compliance in 2025 and every year thereafter. If selected, no changes are needed.
Demonstration of compliance	The 8% standard should be in the utilities’ 2020	The Commission does not have authority to monitor compliance and the rules	Staff’s memo indicated the standard be included in RPS implementation plans in

	implementation plans (<i>CREA-REC</i>).	should require only a status report (<i>PGE</i>).	2019 but the rules states 2021. If selected, the Commission should clarify the year. Staff's rules also require annual compliance reports starting by June 2025. If selected, the Commission should address whether it has any changes to the compliance reports.
Cost recovery			Staff's rules provide for cost recovery through the Renewable Adjustment Clause (RAC).

Text of Staff's Proposed Rules:

860-091-0000

TITLE: Applicability of Rules

- (1) These rules implement ORS 469A.210.
- (2) The rules contained in this division apply only to an electric company that makes sales of electricity to 25,000 or more retail electricity customers in this state.
- (3) Upon request or its own motion, the Commission may waive any of the division 091 rules for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission.

860-091-0010

TITLE: Definitions for Division 091 Rules

For purposes of OAR 860-091-0000 through 860-091-0070:

- (1) "Electric company" has the meaning in ORS 756.005.
- (2) "Nameplate capacity" means the full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperes, kilowatts, volts, or other appropriate units. Nameplate capacity is usually indicated on a nameplate attached to the individual machine or device.

(3) “Renewable attributes” means the environmental attributes associated with energy generation represented by a renewable energy certificate that can be used to comply with Oregon’s renewable portfolio standards in ORS 469A.050 and ORS 469A.055. Renewable attributes do not include greenhouse gas offsets from methane capture not associated with generation of electricity and do not include environmental attributes represented by a thermal renewable energy certificate created under ORS 469A.132.

860-091-0020

TITLE: Aggregate Electrical Capacity

(1) For purposes of compliance with the standard in ORS 469A.210(2), each electric company’s aggregate electrical capacity is the total nameplate capacity of the electric company’s generation resources to serve Oregon load.

(2) For electric companies making retail sales in multiple jurisdictions, the nameplate capacity of generation resources to serve Oregon load is the total nameplate capacity of the electric company’s system generation multiplied by Oregon’s generation allocation factor.

860-091-0030

TITLE: Eligible Renewable Energy Projects

(1) Renewable energy projects used to comply with the standard in ORS 469A.210 must be located in the State of Oregon.

(2) For each renewable energy project used to comply with the standard in ORS 469A.210(2), the electric company must show ownership of the renewable attributes of the energy generated by the project during the compliance year. A renewable energy project for which the electric company does not own the renewable attributes during the compliance year may not be used to comply with the electrical capacity standard in ORS 469A.210(2).

(3) Notwithstanding section (2), if the electric company owns the renewable attributes for only a portion of the energy generated by the renewable energy project, a share of the project’s capacity that is proportionate to the electric company’s ownership interest in the renewable attributes of the project’s output can be used for compliance with the standard in ORS 469A.210.

860-091-0040

TITLE: Compliance Reports

(1) No later than June 1, 2025, and no later than June 1 for each year thereafter the electric company must file a report with the Commission demonstrating compliance or explaining in detail any failure to comply, with the standard in ORS 469A.210.

(2) The report required in section (1) of this rule must include the following information associated with each owned or contracted qualifying and eligible renewable energy project:

- (a) The name of the facility;
- (b) The location of the facility;
- (c) The in-service date of the facility;
- (d) The manufacturer's nameplate capacity rating;
- (e) The execution date of any associated power purchase agreement; and
- (f) The contracted capacity and output delivery period of any associated power purchase agreement; and
- (g) Proof of the subject electric company's ownership interest in the renewable attributes of the project output during the compliance period.

(3) The report required in section (1) of this rule must include the following information regarding the electric company's generation:

- (a) The total nameplate capacity of the electric company's generating resources.
- (b) The total contracted capacity of all power purchase agreements.
- (c) For an electric company making retail sales in multiple jurisdictions, the Oregon generation allocation factor from the most recently concluded Oregon general rate case.

860-091-0050

TITLE: Renewable Energy Attributes

(1) Use of a qualifying project's capacity to meet the standard of ORS 469A.210 does not prevent the electric company from using the renewable energy certificates associated with qualifying projects' output for purposes of meeting a renewable portfolio standard established under ORS 469A.050 during the compliance year.

(2) Use of a qualifying project's capacity to meet the standard of ORS 469A.210 does not prevent the electric company from banking otherwise eligible renewable energy certificates associated with qualifying projects' output for purposes of meeting a renewable portfolio standard established under ORS 469A.050 in a subsequent year.

860-091-0060

TITLE: Implementation Plans

Starting in 2021 and every year thereafter, an electric company must incorporate its plan to achieve or exceed, and maintain, the standard in ORS 469A.210 into its renewable portfolio standard implementation plans filed pursuant to OAR 860-083-0400.

860-091-0070

TITLE: Cost Recovery

An electric company may request recovery of its prudently incurred costs to comply with the Standard in ORS 469A.210 in an automatic adjustment clause proceeding filed at the Commission pursuant to ORS 469A.120.