

4.15.000-P Renewable Energy Certificate (REC) Policy

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	March 3, 2004	Approved (R256)	February 2005
Board Decision	February 16, 2005 (residential tags)	Amended (R313)	
Board Decision	April 6, 2005	Rescind R313	February 2008
Board Decision	March 28, 2007	Amended R433	February 2010
Policy Committee	October 12, 2010	Reviewed, no changes	October 2013
Board Decision	May 4, 2011	Amended R584	May 2014

BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors adopts the following principles and policies regarding the ownership of renewable energy certificates (RECs):

Principles

The following principles should guide Energy Trust's ownership of RECs generated by renewable resources:

- RECs generated by renewable energy are one of the multiple values for Oregonians provided through investing in renewable resources.
- RECs are for the long-term benefit of customers of Pacific Power and Portland General Electric.
- The disposition (retention, transfer or sale) of RECs will coordinate with and further the goals of Energy Trust, state policies and regulatory requirements.
- The minimum ownership of RECs should reflect the market value of the tags and the relative above-market support provided by Energy Trust.

Policies

1. Ownership

- Energy Trust's minimum share of a project's RECs will be determined as follows:
 - Energy Trust will ascertain market values and forward price curves for relevant types of RECs, and update them periodically. Energy Trust will consult with PGE, Pacific Power and the OPUC staff before publicly announcing referent prices. Energy Trust will announce such prices unless it creates competitive concerns.
 - If Energy Trust's above-market incentive exceeds the referent REC market value, Energy Trust will take title to all RECs.
 - If Energy Trust's above-market incentive is less than the referent value, Energy Trust will negotiate for enough tags to fairly recognize that Energy Trust provides an assured revenue stream that reduces the project's market risk.
 - In no case will Energy Trust accept fewer RECs than Energy Trust incentive could buy on the referent RECs market.

- **Energy Trust will negotiate either a reduction in Energy Trust incentive or retain additional RECs if the above steps would accord the project owner/developer a higher-than-reasonable rate of return.**
- **Energy Trust's ownership of the RECs should be flexible over time, while reinforcing incentives for long-term project performance.**
- **A developer or project owner could propose to retain RECs to market them in the near-term, provided this lowers Energy Trust's funding.**
- **Up-front retention of RECs by a developer or project owner must include contractual assurances that future RECs will revert to Energy Trust.**

Adopted on May 4, 2011, by Energy Trust Board of Directors.