

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
Board Decision	November 4, 2015	Amended (R759)	November 2018
Board Decision	December 14, 2018	Amended (R863)	December 2019
Board Decision	October 13, 2021	Amended (948)	October 2024
Board Decision	June 12, 2024	Retired (1034)	June 2024

PRINCIPLES

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

- RECs generated by renewable energy are one of the multiple values for Oregonians provided through investing in renewable resources.
- Energy Trust RECs should be used for the long-term benefit of customers of Pacific Power and Portland General Electric, as long as the effort and expense associated with registering them is not disproportionate to their value.
- The disposition (retention, transfer) of RECs will coordinate with and further the goals of Energy Trust, state policies and regulatory requirements.
- Where Energy Trust takes ownership of RECs, its ownership should reflect both the REC value and the support provided by Energy Trust.
- Energy Trust should coordinate its REC policy with utility green power programs and rate processes.
- Energy Trust ownership of RECs and the mode of delivery of RECs to Energy Trust should be flexible over time, while reinforcing incentives for long-term project performance.

POLICY

1. Annual Board Review and Two-Year REC Cost Review

- The Energy Trust Policy Committee will review this policy annually to take into account new market information.
- Energy Trust will ascertain market values and forward price curves for relevant types of RECs and update them periodically.
- In order to ascertain market values and forward prices curves for relevant types of RECs, Energy Trust will consult with PGE, Pacific Power and the OPUC staff and will give consideration to federal and state policies that may affect such values and forward price curves.
- Energy Trust will track the cost and effort involved in registering RECs and report it to the RAC and the board at least every two years, and where the market value of any

given REC category is less than the cost of registering them, recommend whether to continue to register them in WREGIS.

- Where the board determines, after RAC review, that the cost and effort entailed in registering RECs of a given type is disproportionate to the market and other values associated with RECs, the board may authorize staff to take title to the RECs without registering them in WREGIS and shall effectuate such authority by board resolution.

2. Ownership

- For all physically or virtually net-metered projects, or other projects that use energy on-site, that are less than or equal to 360kW in nameplate AC capacity REC ownership will remain with the project owner. Project owners must agree to maintain ownership of RECs over the operational life of the renewable energy system unless Energy Trust incentives are repaid.
- For all Qualifying Facility projects and all other projects greater than 360kW in nameplate AC capacity, where the board determines that Energy Trust should secure RECs for the benefit of ratepayers, the quantity of RECs for which Energy Trust will take ownership rights will be based on the ratio between Energy Trust's incentive and above-market cost, with an adjustment in cases where the REC market value exceeds the per-REC value of the incentive, determined as follows:
 - Step 1: Multiply the number of RECs that would be generated by a project over the term of the funding agreement with Energy Trust by the percentage of the above-market cost represented by Energy Trust's incentive.
 - Step 2: Divide the incentive amount by the quantity of RECs calculated in Step 1.
 - Step 3: Compare the per-REC value of Energy Trust's incentive to the REC market value ascertained in Section 1 of this policy.
 - Step 4: If the per-REC value of the incentive exceeds the per-REC market value, Energy Trust will take the full amount of RECs calculated in Step 1. If, however, the per-REC market value exceeds the per-REC incentive value, Energy Trust will reduce its REC ownership so that the per-REC incentive value is equivalent to the per-REC market value.
- Energy Trust will reduce its ownership of RECs to the extent that a utility retains RECs for the benefit of its ratepayers pursuant to the utility's green power program or power purchase agreements.

3. Delivery of RECs

- Unless the Energy Trust board determines under Section 1 that a type of REC need not be registered in WREGIS, RECs should be delivered to a utility WREGIS account specified by Energy Trust.
- Energy Trust may agree to up-front retention of RECs by a developer or project owner if there are contractual assurances that future RECs will revert to Energy Trust.