

DOCKET**02-REN-1038**DATE MAR 19 2008RECD. MAR 19 2008**BEFORE THE CALIFORNIA ENERGY COMMISSION**

Implementation of Renewables Investment
Plan Legislation

and

Implementation of Renewables Portfolio
Standard Legislation

Docket No. 02-REN-1038
Renewable Energy Program

Docket No. 03-RPS-1078
RPS Proceeding

**COMMENTS OF PACIFICORP ON THE COMMITTEE WORKSHOP ON DRAFT
JOINT AGENCY STAFF REPORT ON TRACKING SYSTEM OPERATIONAL
DETERMINATION**

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Date: March 19, 2008

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Pursuant to the Commission's *Notice of Committee Workshop on Draft Joint Agency Staff Report on Tracking System Operational Determination* posted March 7, 2008 (the "Draft Staff Report"), PacifiCorp respectfully submits these comments addressing issues related to the Draft Staff Report, including proposed revisions to Section 16.1 of the WREGIS Operating Rules. PacifiCorp appreciates the opportunity to provide further comments in this proceeding on these important issues.

I. DISCUSSION

WREGIS is critical to the effective functioning of Western states renewable portfolio standards. PacifiCorp is honored to be the first registered qualified reporting entity on WREGIS, just as it is honored to have played a role with the Western Governor's Association early development of the concept that eventually became WREGIS.

To best serve the needs of system users for compliance with present and future state regulatory programs that concern renewable energy or greenhouse gases, WREGIS should

permit disaggregation of the proof of generation from greenhouse gas and other potential environmental impacts within WREGIS. However, the system as currently constituted is operationally constrained from doing so. In fact, the particular provision creating this operational constraint in the current WREGIS Operating Rules (Section 16.1) creates a policy position that deviates from the WREGIS mission as articulated in Sections 2(a)-(c) of the WREGIS Charter and imposes that policy on all present and future Western State RPS and GHG regulation systems. Although PacifiCorp brought this matter to the attention of WREGIS in its submission of Comments to the draft WREGIS Operating Manual in March 2007, requesting a notice of agency determination if the change was rejected, none was provided, although the manual was not changed.

Section 16.1 provides that "[t]he system will transfer the certificates from the Account Holder's Active Subaccount to the indicated Retirement Subaccount." In other words, for compliance purposes, a party can only move RECs to the retirement subaccount from the active subaccount. Interestingly, Section 6.4 provides: "Account Holders will use th[e Reserve] Subaccount for WREGIS certificates they wish to ... disaggregate." Requiring that compliance retirements may only be from the Active Subaccount, rather than also from the reserve subaccount to which RECs may have been moved and partially disaggregated, prohibits stripping out and selling off all non-RPS-required components of the REC before using the same for compliance. Even though the Operating Rules recognize that "some programs do allow a "double use" policy where the same certificate being used by the same entity can be applied for more than one purpose", the WREGIS requirement takes a contract policy position- that only "Whole Certificates" may be used for RPS compliance. *See* WREGIS Operating Rules at 49, n. 21.

For example, a state may provide both a GHG and RPS use for the same unit of

renewable energy under different sets of regulation. Implementing this compliance would involve moving a WREGIS Certificate into the Reserve Subaccount for stripping the GHG compliance attributes, for retirement of those, and moving whatever is "left" of the WREGIS REC to the Retirement Subaccount for renewable portfolio compliance. California may not provide this policy option for its complying entities- at least not at the moment- but other states may choose to. RECs could be used-in whole or in part- for compliance with many different statutory schemes, not all of which may require the whole REC, and not all of which are California programs.

Therefore, section 16.1 should provide that retirements can be out of the "Active or Reserve Subaccount", and as a general proposition, WREGIS should permit the disaggregation of proof of generation from other environmental impacts, including greenhouse gases, from a unit of generation. Otherwise, WREGIS will not be able to serve the wide range of policy options that are currently being debated in each of the Western states, including California. States and voluntary RPS and other programs are still setting their requirements, so precluding the ability to strip out components for varying present and future compliance regimes by not allowing movement from the reserve account, to which the REC was moved for partial disaggregation, to the retirement account, to which the REC is moved for compliance, is taking a political position that ossifies the system, in a manner antithetical to WREGIS' role as agnostic, enabling infrastructure.

II. CONCLUSION

PacifiCorp appreciates the opportunity to provide comments in this proceeding. For all the foregoing reasons, PacifiCorp recommends that the Committee consider the proposed changes described herein.

Dated: March 19, 2008

Respectfully submitted,

By: _____/s/_____

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