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Oregon

April 28, 2010

## MEMORANDUM

**TO:** Power Committee

**FROM:** Jeff King

**SUBJECT:** Status Report - analysis of the implications of a tradeable renewable energy credit market

Staff presented a proposed work plan for analysis of the implications of a tradeable renewable energy credit (TREC) market at the March meeting of the Power Committee. Staff estimated that work on this issue would commence in mid-April following adoption of the remaining Appendices of the Sixth Power Plan. During the ensuing discussion, members of the Power Committee requested periodic progress briefings.

The final appendices to the Power Plan were adopted at the April Council meeting and work has commenced on this analysis. Staff plans to review two early products of the work with the Power Committee at the May meeting. The first will be an updated summary of state renewable portfolio standards with a focus on TREC provisions, especially those of California. The second item will be an inventory, to the extent that information is available, of the degree to which Northwest renewable energy projects are supporting achievement of California renewable portfolio standards. This inventory will include equity ownership of Northwest renewable projects by California utilities, long-term contracts to California utilities for the output of Northwest renewable projects, and shorter-term sales of TRECS from renewable projects owned by or contracted to Northwest utilities, to California utilities. Information regarding the latter transactions appears to be available only for California IOUs.

# Status Report

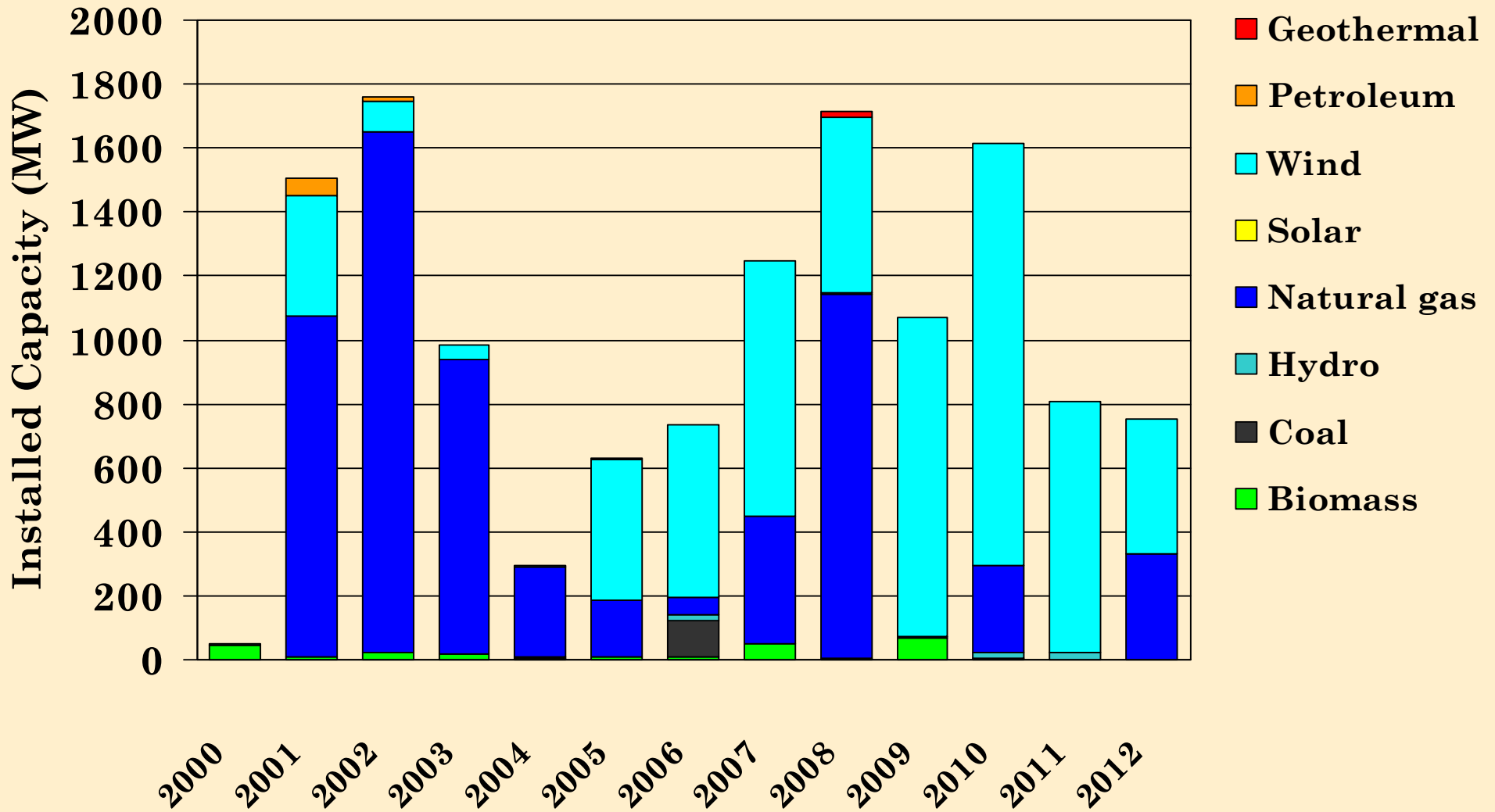
## Pacific Northwest Wind Power Development and Use

Jeff King

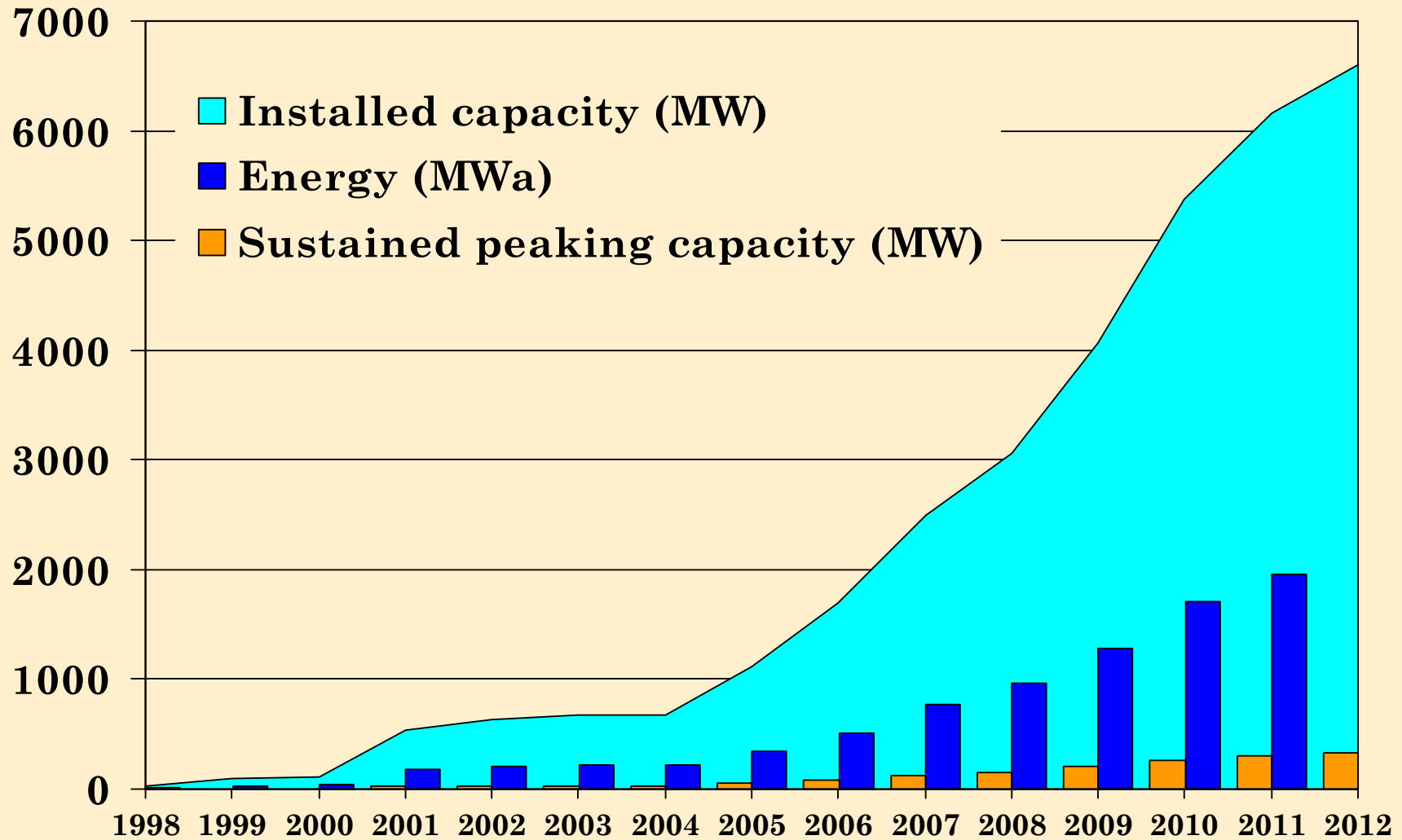
Northwest Power & Conservation Council

May 2010

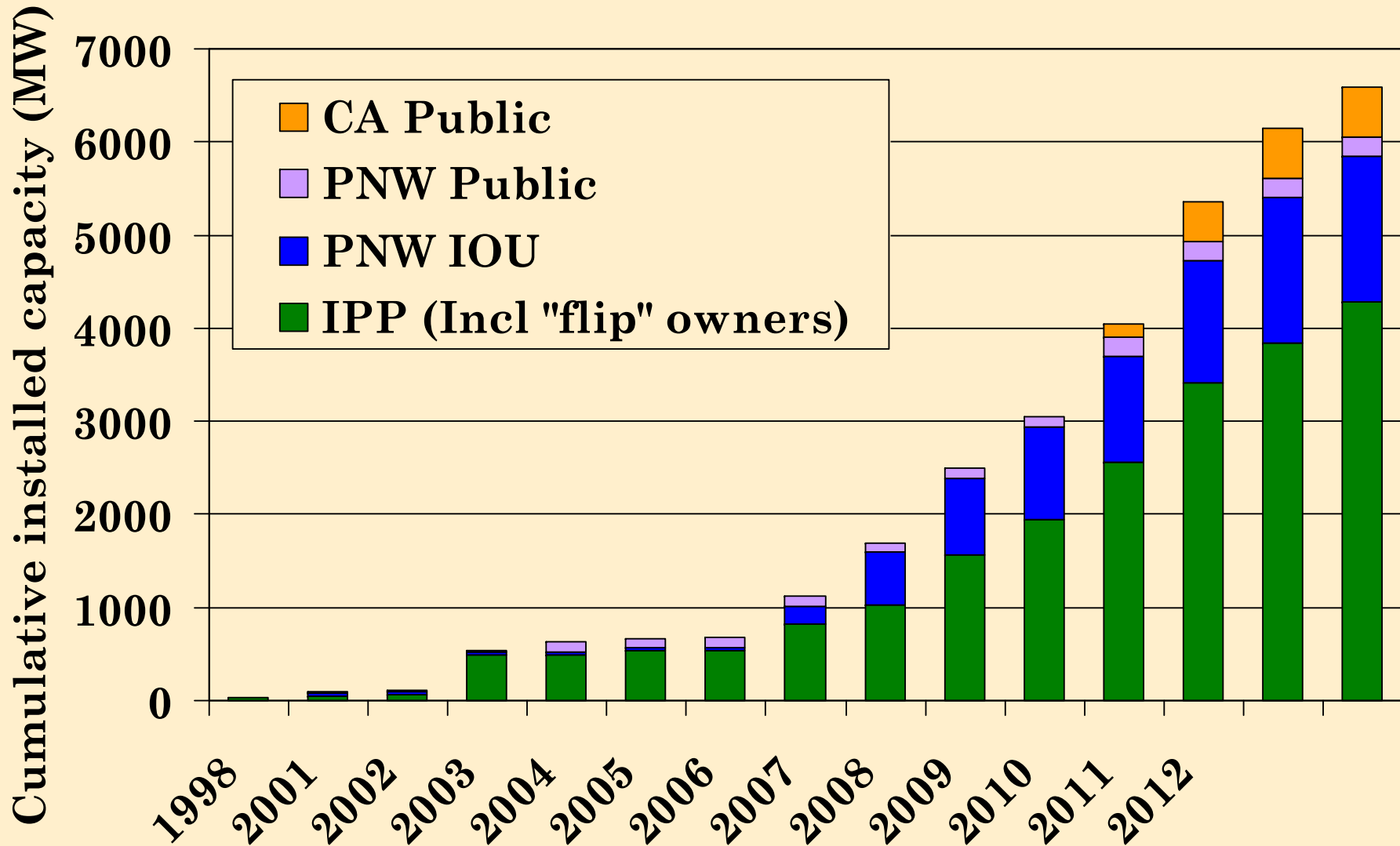
# Committed & planned Northwest generating capacity additions\*



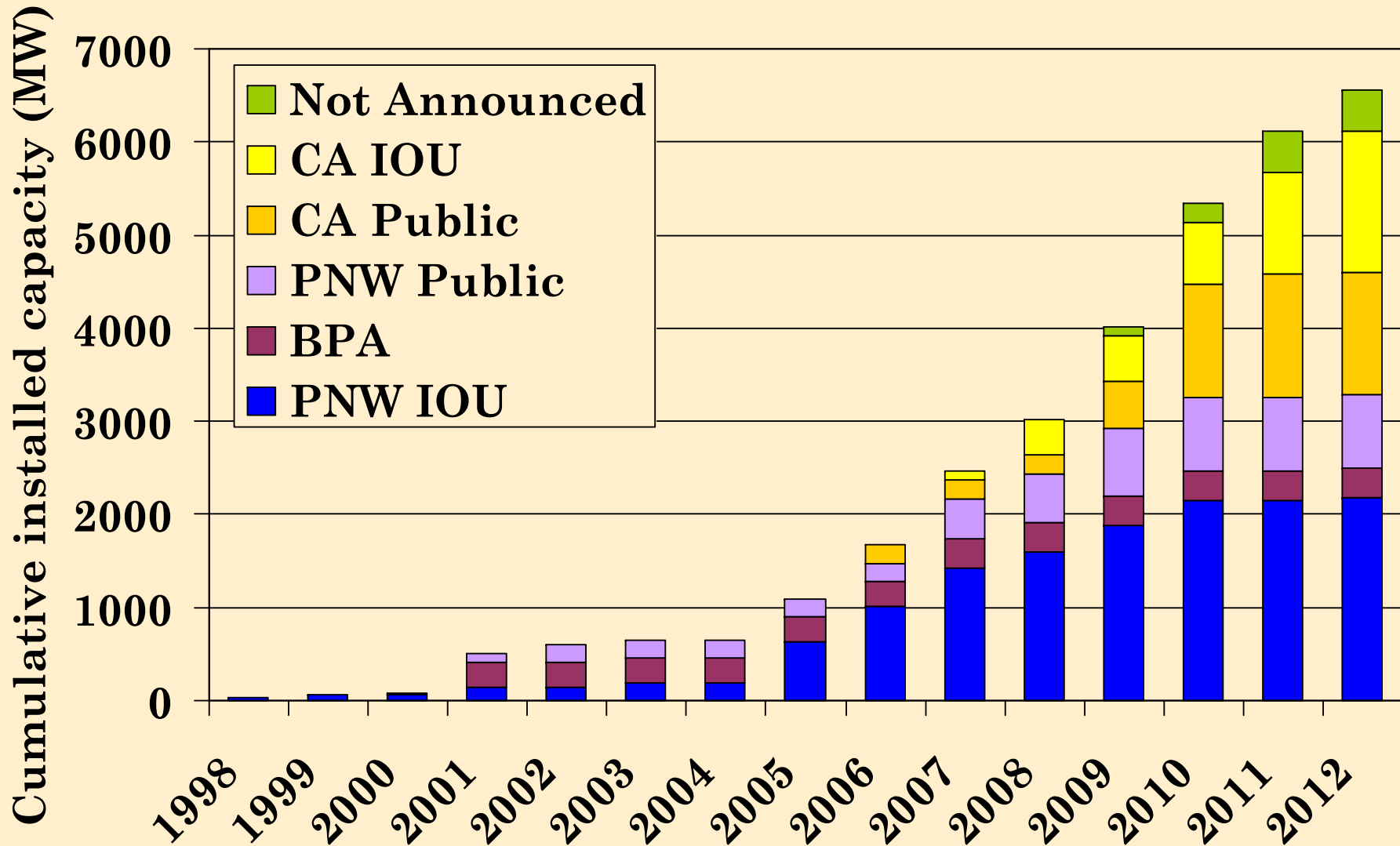
# Cumulative committed & planned PNW wind



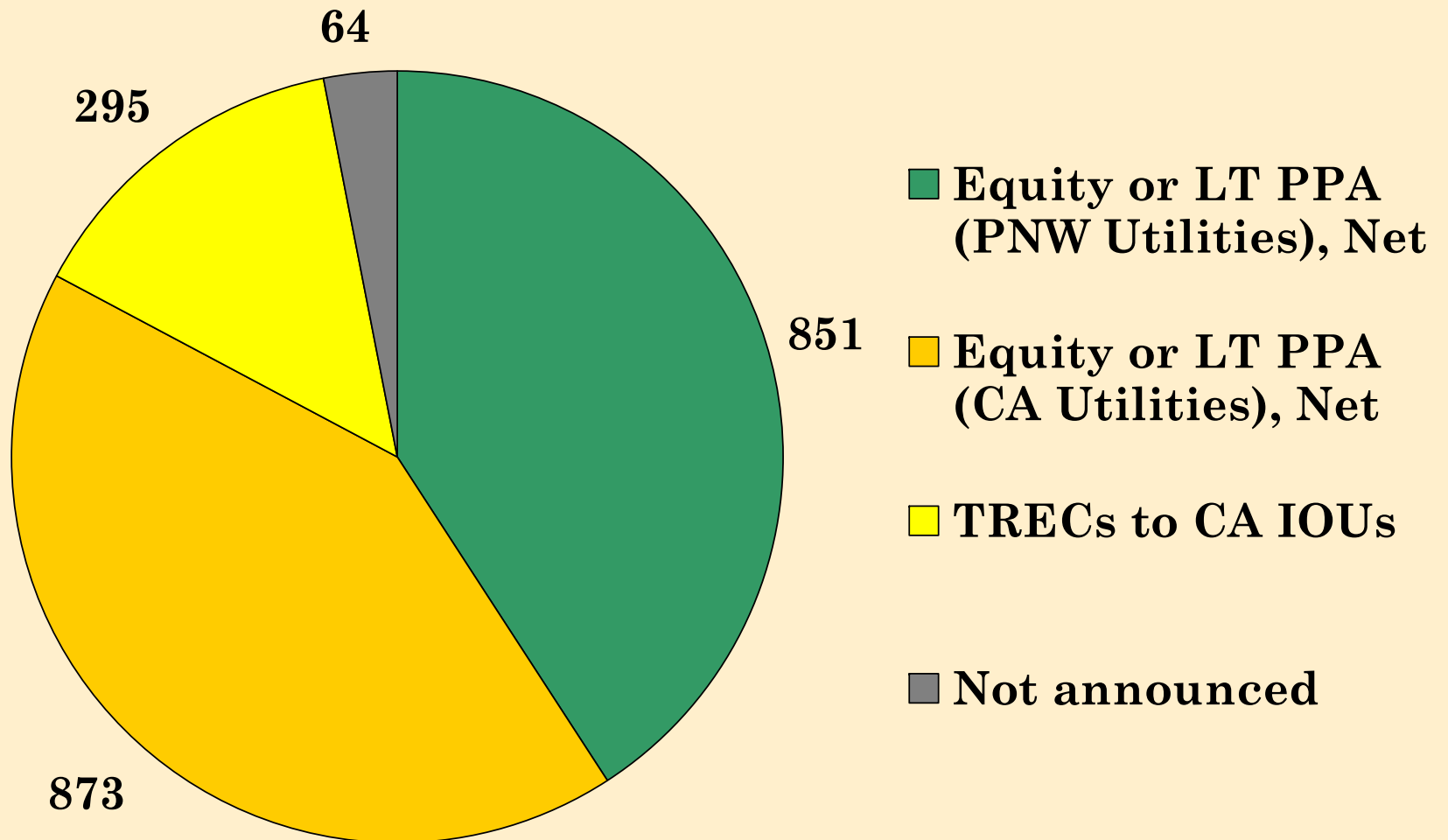
# Ownership of Northwest wind capacity



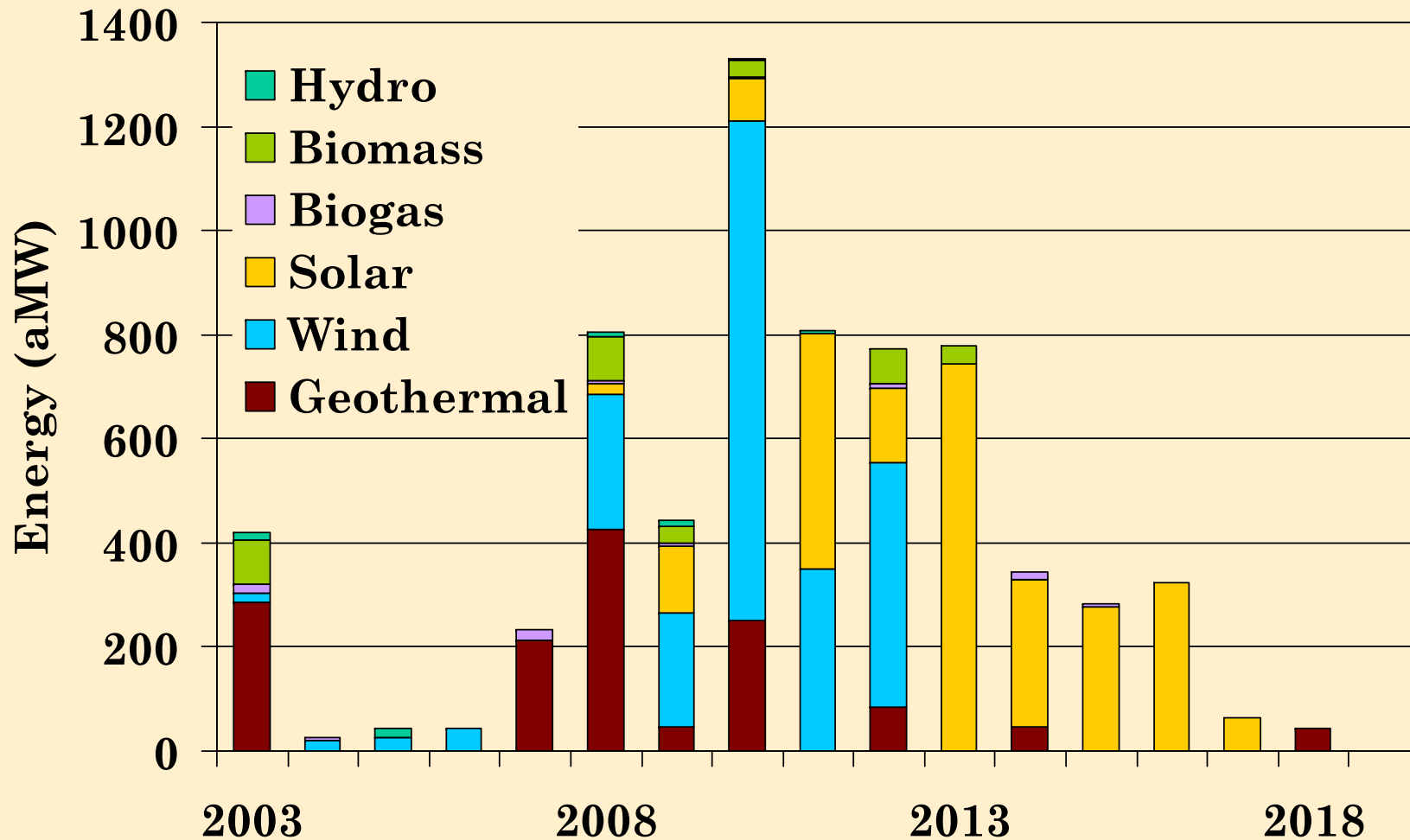
# Customers<sup>(a)</sup> of Northwest wind power



# PNW wind: Equity ownership or long-term contracts vs. TRECs (Jan 2011, aMW)



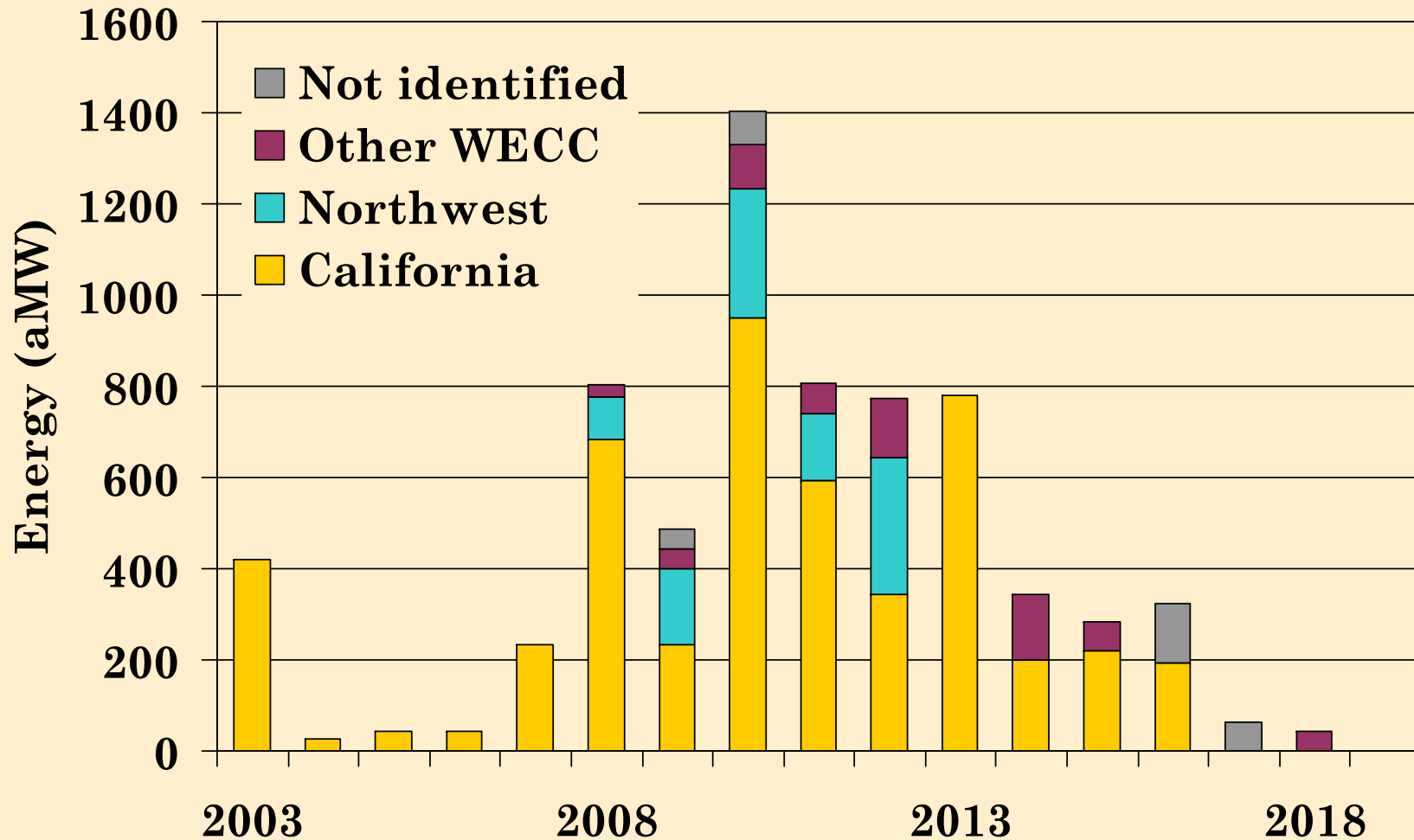
# CA RPS energy resource types (a)



(a) Incremental IOU procurements



# Geographic source of CA RPS energy<sup>(a)</sup>



(a) IOU procurements

# Recent changes in state RPS policies

- California PUC authorizes use of tradeable (unbundled) RECs (TRECs) for RPS compliance (Mar 2010)

Bundled RECs must serve CA customer load w/o intermediate energy transactions:

- The eligible generator's first point of interconnection is w/California BA
- or, eligible energy is dynamically transferred to CA BA

Temporary (through 2012) limit of 25% TRECs per IOU

Transitional (through 2012) price cap of \$50/MWh

Staff report regarding retention, adjustment or termination of limit & price cap within 18 months.

- CPUC on May 6 votes 4-1 to stay March decision

No information posted on CPUC website

- Colorado legislature increases 2020 IOU RPS requirement from 20% to 30% of sales (Mar 2010)