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December 12, 2014

Oregon Public Utility Commission
3930 Fairview Industrial DR SE
Salem, OR 97308

**Re: UM 1690, the Implementation of HB 4126 – Voluntary Renewable Energy Tariffs (VRETs)
Comments from the Renewable Energy Markets Association (REMA) on Staff Models and Issues
List**

Dear Commissioners:

REMA appreciates the opportunity to comment on the implementation of HB 4126 VRET.

These comments are respectfully submitted December 12, 2014 by:

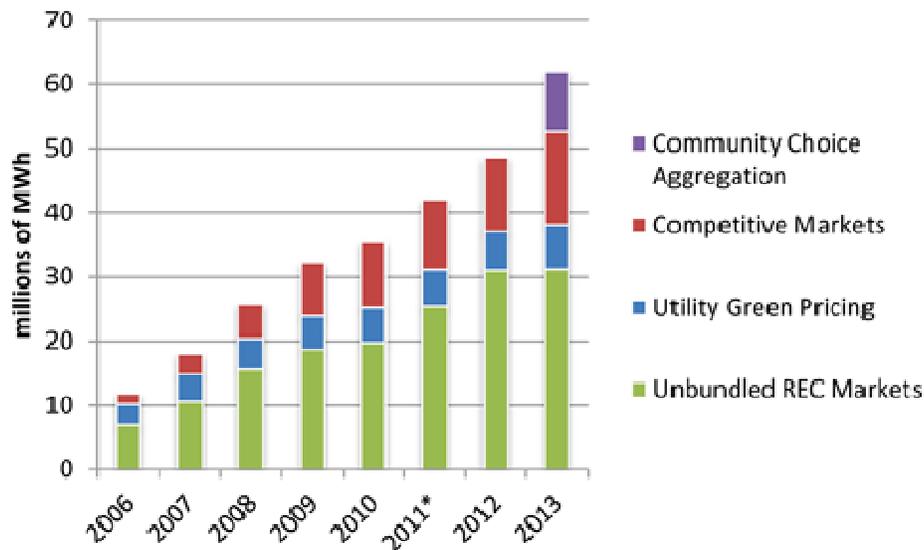
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Introduction to REMA and Voluntary Renewable Energy Markets

The Renewable Energy Markets Association (REMA) is pleased to offer comments on the State of Oregon's implementation of HB 4126 – Voluntary Renewable Energy Tariffs (VRETs). REMA represents the collective interests of businesses that sell or promote the sale of renewable energy products, including renewable technology, renewable electricity, and Renewable Energy Certificates (RECs) to individuals, companies, and institutions throughout North America. We are the leading national organization focused on maintaining the integrity and continued growth of the compliance and voluntary renewable energy markets, and we actively engage in proceedings at the federal and state level when policies impact the renewable energy markets. REMA is pleased to recommend strategies for states like Oregon to harness existing markets to encourage greenhouse gas (GHG) reductions and expand access to renewable energy services and products.

There exists today a substantial market for purchases of renewable electricity above and beyond state RPS mandates and government agency purchasing requirements. Better known as the Voluntary Renewable Energy (VRE) market, these purchases support the development of renewable energy generation nationwide. As illustrated in Figure 1 below, 2013's total retail sales of voluntary renewable energy exceeded 62 million megawatt-hours (MWhs), accounting for approximately 5.4 million customers.¹ VRE purchases have continued to climb with a year-on-year positive growth rate, despite the recent economic recession and lack of legal mandates.

Figure 1: Annual U.S. Voluntary Renewable Energy Sales, 2006-2013



REMA is committed to the continued growth and development of the voluntary renewable energy market in Oregon. Please consider our association and members a resource as the Public Utility Commission (PUC) completes Phase I of the rulemaking and enters into subsequent policy discussions.

QUESTIONS RAISED BY PUC STAFF IN THE 11/07/2014 ISSUES LIST

I. How should a Voluntary Renewable Energy Tariff (VRET) be defined and designed? *(context/general issues)*

With regard to question I.2.a) Should VRETs be considered for all non-residential customers or only a subset of non-residential customers (e.g. only large customers)?

¹ J. Heeter, K. Belyeu, K. Kuskova-Burns, *Status and Trends in the U.S. Voluntary Green Power Market (2013 Data)*, Golden, CO: National Renewable Energy Laboratory, pg. v-vi, Nov. 2014, 6 Dec. 2014

REMA recommends that customers of all sizes be eligible to participate in the VRET. Today, companies large and small have access to clean, renewable energy through a variety of products and purchasing levels (as discussed in REMA's comments below). For example, the U.S. National Renewable Energy Laboratory has found that companies across the spectrum are able to select from competitively priced green power programs, Power Purchase Agreements (PPAs), and unbundled REC purchases to meet their renewable energy needs.

With regard to question I.3. What portion of a customer's load should a VRET be able to serve? All load? Partial load? Service at a given Point of Delivery (POD)? Should VRET customers be able to aggregate multiple sites/PODs?

REMA recommends that customers are given a range of options for selecting a level or proportion of their energy that would come from renewable sources. Many green power marketers have adopted a 25%-based block structure for purchases, allowing consumers to reach 100% of their energy consumption with renewable sources if desired. Such options would reduce customer confusion, increase green power marketability, and empower customers to more confidently convey their green power purchases at levels tailored to their needs.

II. Whether Further Development of Significant Renewable Energy Resources is Promoted? (issues related to HB 4126 Section 3(3)(a))

With regard to question III.6.a) What are the effects, if any, on the competitive retail market if a customer owns or operates resources as part of VRET design in this model?

In addition to buying renewable electricity from a utility or buying RECs, homeowners and businesses can install renewable power generation at their respective locations. They can either buy the system outright or install a system that is owned by another party and buy the electricity as it is generated. It is important to note that selling RECs from an on-site facility negates the system owner's claim to using a corresponding amount of renewable electricity generated on site, because the REC buyer is buying that claim specifically and contractually. For example, a clothing store with solar panels on its roof cannot claim it is using renewable if it has sold off the associated solar RECs.

On the specific application of the VRET, REMA recommends that owners of on-site renewable energy systems (e.g. solar, small wind, etc.) be clearly informed as to the nature of their REC transactions and the effect that selling such RECs would have on their ability to claim GHG reductions or green power consumption for the facility/site/roof in question. This would ensure that RECs from distributed generation sources would not be simultaneously claimed and result in the double counting of environmental attributes.

VI. Other considerations (issues related to HB 4126 Section 3(3)(e))

With regard to question VI.1. What customer protections may be appropriate for VRET resources (e.g. Green-E certification? Commission or advisory group oversight)? For which customer classes or subsets of classes?

REMA recommends that utilities and energy suppliers accurately describe their renewable energy purchases and sales when disclosing their generation portfolios to VRET customers. It is an industry best practice to assign null power (the underlying electricity from a generator that has been 'unbundled' from its associated environmental attributes) the system emissions average when the associated RECs have been sold separately. When non-power attributes are claimed by multiple parties, double counting occurs, and the REC loses all value in both the voluntary and compliance markets. Allowing a renewable claim on null power negatively impacts REC transactions inside and outside the state where the utility or supplier operates.