

CON-069

Burbank,Nita M - PFP-6

Subject: FW: clarification on Exhibit H, RECs & carbon attributes

Attachments: clarification Exhibit H of draft contract.doc

From: mesnru@gmail.com [mailto:mesnru@gmail.com] **On Behalf Of** Megan Stratman

Sent: Friday, May 02, 2008 11:25 AM

To: Burbank,Nita M - PFP-6

Subject: clarification on Exhibit H, RECs & carbon attributes

Hi Nita,

Attached are clarification questions I have regarding Exhibit H of the draft LF contract. Since there's no workshop scheduled to clarify the exhibit, Scott Wilson said I should send you my questions and you'll pass them along to the appropriate people.

Thanks.

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Clarification Questions on Exhibit H, RECs & Carbon Attributes
5/2/08

§ 1: Definitions

- EPP RECs are defined here but are not discussed elsewhere in the Exhibit. Further discussion of EPP RECs ought to be included.

§ 2: Tier 1 RECs

- This section needs to be clarified. I am assuming this section says something to the effect that “the renewable resources BPA currently has (reference list) plus any future acquisitions of renewable resources that will be part of the ‘existing FBS’ plus any renewable resources acquired for augmentation will be used to establish the Tier 1 REC inventory.” Such an idea is not clearly stated in this section.

§ 3: Customer Share

- “Any T1 RECs BPA provides to utility on 4/15/12 shall be limited to those generated 10/1/11-12/31/11.” Need to add another sentence that says “Thereafter, the RECs provided on 4/15 of every year shall be limited to those generated from January 1 through December 31 of the previous year.” Otherwise, could be interpreted that in every year utility receives RECs only from 10/1-12/31, which isn’t the case.

§ 5: Fees

- There’s no mention of fees associated with option 4(c): BPA markets & credits revenues on behalf of customer. Does this mean there are no fees for this service?

§ 6: Tier 2 RECs

- Again, NRU continues to push for further discussion of how Tier 2 RECs should be treated (whether passed through or stripped off and credited back). Further, this should be reworded to be more “neutral” with regards to whether BPA will market Tier 2 RECs. Rather than saying “BPA shall market...consistent with the TRM” it should read “BPA handling of RECs will be consistent with the TRM.” Also, we would want more definitiveness with regards to RECs being passed through with applicable Vintage rates – this language is vague and weak.

§ 7: Carbon attributes

- Only talks about how carbon attributes associated with Tier 1 resources. How will carbon attributes from Tier 2 resources be handled?