

Western Renewable Energy Generation Information System



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Progress Report to Western Governors

April 15, 2004



WESTERN
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ASSOCIATION



Western Renewable Energy Generation Information System

Progress Report

Overview

The Western Renewable Energy Generation Information System (WREGIS) is a joint effort by the Western Governors' Association (WGA), the California Energy Commission (Energy Commission), and the Western Regional Air Partnership (WRAP) to implement an independent, voluntary, renewable energy generation database and a registry for Renewable Energy Certificates (RECs) within the Western Interconnection.¹

The proposed tracking system resulted from a recognition among policy-makers and regulators that tracking and accounting of renewable energy generation is critical to support robust renewable markets in the West, verification of compliance with various policy mandates, and for consumer protection in voluntary green power markets.

It is important to note that WREGIS is not a trading platform for renewable energy, certificates, or credits; WREGIS is intended to be a tracking and registry akin to a banking system that will enable the registration of generators and other account holders, the tracking of REC transfers within and out of the system, and the creation of public and private reports. WREGIS is expected to be operational in 2005.

To develop the operational rules, functional requirements, and formulate institutional and governance structures, two WREGIS working committees were formed in January 2004. These committees (IC or Institutional Committee and ORC or Operational Rules Committee) have completed an intensive process and have released draft reports containing recommendations for broader stakeholder review.

This report reviews the status of WREGIS with respect to: goals; system capabilities; functional requirements; institutional home and governance; stakeholder participation; communication/public outreach; and a timeline of remaining milestones. Attachments to this report contain a summary of the policy/schedule drivers for the formation of WREGIS and a list of active participants.

Goals for WREGIS Established – Fall 2003

The WGA and the Energy Commission staff agreed on the following goals for WREGIS:

- 1) Establish a single institution in the West that will record renewable energy generation information and issue, register and track RECs for use in verification of compliance with state regulatory and voluntary market programs

¹ The Western Interconnection covers 11 Western states, two Canadian provinces, and northern Baja.

- 2) Develop standard definitions, rules, and operating guidelines for participants in WREGIS
- 3) Improve economics for the region's renewable energy resources
 - Maximize value of renewable energy generation
 - Increase efficiency of renewable energy markets
 - Expand the marketplace for Western generated renewable energy
 - Mitigate problems of geographic proximity, intermittency and load matching
 - Prevent multiple counting and selling
 - Increase verified renewable energy options for consumers
- 4) Support state renewable energy policies as well as regulatory programs
 - RPS, "Green Pricing," Information Disclosure for Load Serving Entities, utilities, and power marketers
 - Air Quality, Regional Haze, and State Implementation Plans

Functional Capabilities of WREGIS Identified – December 2003

A Needs Assessment survey, which asked 216 stakeholders about the design and functional capabilities that WREGIS should include, was conducted and the results summarized for public comment and presented at six regional workshops.² A *Final Needs Assessment Report* identifying WREGIS functional capabilities was released in December 2003. The key functions recommended are to:

- Verify green power claims and quantity of renewable generation
- Issue and retire RECs with unique serial numbers Track renewable transactions at the wholesale level
- Create reports about REC transactions for regulators
- Accommodate & support commercial trading of RECs
- Track REC transfers between states and prevent double-counting
- Be compatible with other REC tracking systems to facilitate imports and exports of RECs from outside the Western Interconnection

Proposed WREGIS Operational Rules Released – April 7, 2004

The Operational Rules Committee (ORC) coordinated stakeholder participation in developing draft interim operational rules that define the functionality and operating rules of the tracking system. In a parallel effort, the Data Interface Subcommittee (DISC) interviewed the operators of the 33 independent control areas covered by WREGIS. These interviews identified existing processes and reporting practices that

² Workshops were hosted in Phoenix, Sacramento, Denver, Santa Fe, Las Vegas, and Portland.

will support collection of static and dynamic data to be reported in the WREGIS database. The draft *WREGIS Interim Operational Rules: Functional Requirements* includes the following elements: specific functional capabilities of WREGIS; renewable generation technologies/fuel types to be included in WREGIS; data acquisition and verification procedures; specification of data fields necessary to meet functional specifications; and scope of system operation. After stakeholder review, final recommendations will be made in an April 30, 2004 report to the WGA, Energy Commission and western states.

Proposed Institutional Home and Governance Recommendations Released – April 15, 2004

The Institutional Committee (IC) conducted extensive research and discussion on the options for an institutional home for WREGIS and developed a matrix to compare the governance characteristics of a range of options. It also conducted interviews with regulators to identify what needs and existing processes should be considered as WREGIS moves forward, including questions pertaining to the role that regulators envision playing when WREGIS is functional, and the types of WREGIS reports that would help them in verifying state renewable policies and the processes that each state would need to go through in order to participate in WREGIS.

Recommendations for the institutional home and governance structure are contained in the just released preliminary draft report *WREGIS Institutional Home and Governance: Recommendations*. The IC draft recommendations are that the Western Electricity Coordinating Council be asked to be the institutional home for WREGIS, coupled with a governance structure that would accommodate state oversight for decision-making of WREGIS operations and policies. After full committee and stakeholder review, final recommendations will be made in an April 30, 2004 report to WGA, the Energy Commission and western states.

Stakeholder and Public Outreach Integral to WREGIS

Regional stakeholder, western state and public outreach has included: over 350 stakeholders have participated in the “needs assessment” survey, six regional stakeholder workshops, the WREGIS kick off meeting and on three WREGIS working committees; and over 300 stakeholders are registered on the WREGIS-maintained list serves that report all committee meetings, discussions and developments.

A WREGIS stakeholder and organizational kick-off meeting was held in January 2004. This two-day meeting was used to establish committees and outline the content and timeline for deliverables. Four list-serves were established to encourage participation and feedback from all interested stakeholders. Each committee list-serve includes a

membership list, calendar, and an archive of agendas, draft documents, notes, and feedback from each committee meeting.

Continued efforts to encourage stakeholder participation and public awareness include a WREGIS Communication Team (CT), formed in March 2004, to identify outreach and press opportunities, draft status reports, and provide a point of contact for public information resources. In addition, members of the WREGIS Project Management Team participate in conferences and speaking engagements to discuss the development of WREGIS.

Key Remaining Milestones and Timeline

- April 30, 2004: Release of Final Draft *WREGIS Interim Operational Rules: Functional Requirements* and Revised Draft *WREGIS Institutional Home and Governance Structure: Recommendations* released
- May 2004: Implementation Advisory Committee reviews of committees' draft recommendations
- June 2004: Interim Report to Governors
- June-December 2004: Operating rules and functional requirements finalized and Institutional Home and Governance finalized
- Late 2004/Early 2005: RFP for system software issued
- Late 2004/Early 2005: System software contractor selected
- 2005: WREGIS operational

ATTACHMENT A

Policy and Schedule Drivers for WREGIS

Three policies led to the genesis of the WREGIS development process: 1) the June 2002 WGA Policy on renewable energy certificates; 2) California Senate Bill 1078 regarding the development of a California Renewables Portfolio Standard (RPS); 3) and the Western Regional Air Partnership (WRAP) 2003 policy support for renewable energy as an air pollution prevention strategy.

Western Governors Association June 2002 Western States' Energy Policy Roadmap³ called for:

- Creation of an independent, regional generation tracking system to provide data necessary to substantiate ... generation from renewable resources and support verification, tracking and trading of RECs.
- Development of a standard set of market design and operation guidelines for tracking of generation and RECs.
- Establishment of a single institution in the West that will issue, track and oversee trading of RECs.⁴

The California Legislature has charged the California Energy Commission with developing an accounting system to ensure that renewable energy used to comply with California's Renewables Portfolio Standard (RPS) is not double counted. On October 8, 2003, the California Energy Commission adopted the *Renewable Portfolio Standard: Decision on Phase 2 Implementation Issues*, which recommends that the Energy Commission staff work with the WGA to develop a regional certificates-based renewable energy tracking system starting in 2005.

The Western Regional Air Partnership (WRAP) adopted *Renewable Energy and Energy Efficiency as Pollution Prevention Strategies for Regional Haze* on April 24, 2003, advocating that:

“States, tribes and regional energy organizations should act in concert to establish a regional institution for issuing and trading renewable energy certificates; institute a regional generation tracking system...”

ATTACHMENT B

List of Participants and Affiliations

Participants are listed in alphabetical order by affiliation. This table is not intended to summarize all parties who have registered on one or more WREGIS list serves and who may have added feedback on committee proceedings via phone or e-mail. Rather, this table summarizes "active" WREGIS participants to date, who have called into one or more WREGIS committee meetings since January 2004.

³ Western Governors' Association, *Western States' Energy Policy Roadmap*, Policy Resolution 02-26, repeated and updated in Policy Resolution 03-19, September 15, 2003 at <http://www.westgov.org/wga/policy/index.htm#Energy>.

⁴ This resolution does not bind states to reliance on RECs for compliance with renewable portfolio standards or other state programs. Those decisions will still be made by individual states for each program.

Affiliation	WREGIS Participant
Add Energy	Paul Symanski
APS/Pinnacle West Capital Corp.	Cassius McChesney
APX	Ashley Houston
Arizona Corporation Commission	Janice Alward
Arizona Power Authority	Harvey Boyce, Doug Fant, Marcia Kennedy
Arizona Residential Utility Consumer Office	Steven Ahearn
Basin Electric Power Coop.	Ron Rebenitsch
Bonneville Power Administration	Orville Blumhart, Janet Klippstein, Deb Malin
California Energy Commission	Grace Anderson, Demetrio Bucaneg, Jan Elward, Rasa Keanini, Heather Raitt, Monica Schwebs, Tim Tutt, Bill Westerfield
California Independent System Operator	Jim Blatchford, Dave Hawkins
Calpine	Dean Cooley
Center for Resource Solutions	Jan Hamrin, Matthew Lehman, Jennifer Martin, Meredith Wingate
Clean Power Markets	Jan Pepper
CSG Services	Pat Stanton
Department of Energy	Cathy Iverson
ERCOT	Roy McCoy
Green Power Institute	Greg Morris
Idaho PUC	Marsha Smith
Independent Energy Producers Association	Steven Kelly
Intertribal Council On Utility Policy	Bob Gough
KEMA-XENERGY	Julie Blunden, Kristie Deiuliis, Carol Malugani, Nellie Tong
Montana PSC	Marla Larson
N. California Power Agency	John Berlin
Natsource	George Tung
New Mexico Public Regulation Commission	Jim Brack
Oregon PUC	Phil Carver, John Savage
Pacific Gas & Electric	Donna Barry, Niels Kjellund, Dave Landis, Mark Kold, Mark Rensom
Powerex Corp	Jeff Lam, Brian Moghadam
PPM Energy	Carrie Gage, Julie Morris, Roby Roberts, Don Winslow
Producer Services Consulting	Brock John
Public Service Company of New Mexico	Ron Grossarth
Renewable Northwest Project	Natalie McIntire
Ridgewood Power	Bill Short
Sacramento Municipal Utility District	Ruth MacDougall
San Diego Gas & Electric	John Finley, Daniel Frank
Solargenics	Mark Skowronski
Southern California Edison	Manuel Alverez, Frank Harris
State of Nevada	Dick Burdette
Sustainable Energy Advantage	Bob Grace
The California Wind Energy Association	Nancy Radar
Tucson Electric	Tom Hansen
US Bureau of Reclamation	Karl Wunderlich
Western Area Power Administration	John Bremmer, Randy Manion, Jim Spires, Al Wilcox
Western Electricity Coordinating Council	Louise McCarren, Bob Dintelman
Western Governors' Association	Jeff Burks, Chris McKinnon

Affiliation	WREGIS Participant
Western Resource Advocates	Rick Gilliam
Western utility regulators	Bob Anderson