Fuel Mix Stakeholder Meeting Discussion Topics June 18th, 2018

1. Net System Mix adjustment options.

Currently the Net System Mix (NSM) is determined by subtracting WA and OR claims on specific generation resources from the total electricity generation located within the Northwest Power Pool (NWPP). Claims on generation resources by utilities in other NWPP states are not netted out.

To improve the NSM we have evaluated and are proposing the following adjustments:

* In addition to the above NSM approach, remove non-WA and OR Pacific Corp, Avista and BPA utility claims on resources from the total NWPP generation. The claims data for the above entities is of high quality.
* Additionally remove Idaho Power and Northwest Energy utility resources claims from the total NWPP generation. The claims data for the last two utilities is of moderately good quality.

1. Discussion of whether to include non-traditional electric power providers, such as power marketers, other aggregators, and behind the meter sales in the state roll-up fix mix disclosure.

* The Oregon Dept. Of Energy has requested that power marketers specify the fuel sources of the electricity that they sell to their clients.
* The EIA reports behind the meter sales for individual states, but reporting occurs outside of the Fuel Mix reporting cycle.

1. Include EIA compliance resources in utilities’ fuel mix disclosures

Many of the resources that utilities acquire and use for EIA compliance do not show up in their fuel mix disclosures to customers. For example, in 2016 utilities used XXXX MWh of wind to meet their EIA renewable energy targets, but XXXX MWh of wind was claimed for fuel mix purposes. In many cases, wind is left unclaimed when the utility counts the wind resource as a REC for EIA compliance. The only entity that can/should claim a renewable resource with a REC is the entity that owns/retires the REC. If REC owners do not make the claim, it is omitted entirely and affects the overall state totals for fuel mix.

We would like to clarify that RECs are a valid basis for making a fuel mix disclosure claim and to encourage utilities to include their EIA compliance RECs in fuel mix disclosure.

There may be questions about operational issues, including:

* What if the REC has not been retired at the time the utility’s fuel mix claims are submitted?
* What if the compliance RECs are from a different year, such as 2016 vintage retired for 2017 compliance? May these be included in 2017 fuel mix reporting?
* Does it matter whether the RECs would replace unspecified sources versus specified source claims? What if the utility already has specified source claims that would account for 100 percent of a utility’s fuel mix? Should there be a rule or procedure about what claims are reduced when RECs are included?
* Could a utility voluntarily retire additional RECs, beyond EIA compliance, and include those RECs in its fuel mix reporting?

1. Netting of specified and unspecified source transactions

There are different practices among utilities in determining whether a resource is considered to be used to serve retail load and determining when unspecified sources are used to serve retail load. Inconsistent approaches may affect the ability to make comparisons across utilities, and they may affect the calculated net system mix that is included in most utilities’ net system mix result.

We would like to improve the consistency among utilities in these practices.

* One approach has been to use hourly or daily data. If a specified source is generating in a particular hour (and not subject to a specified-source sale), it is assumed to be used to serve retail load. If generation from specified sources exceeds retail load in an hour, the excess is not claimed for fuel mix reporting. The excess generation becomes part of the net system mix calculation. In hours when specified source generation is less than retail load, the utility is assumed to be using unspecified sources.
* A second approach has been to use annual data. Annual generation from specified sources is compared to annual retail load. If annual generation exceeds retail load, the excess is not claimed for fuel mix reporting. No unspecified sources are included in the utility’s fuel mix unless total annual generation from declared resources is less than total annual retail load.
* A third approach is to use annual totals for generation from specified resources and purchases of unspecified sources. The total typically exceeds retail load for the year, because utilities are usually both purchasing and selling unspecified power during the course of a year. Where the sum of specified and unspecified sources exceeds load, all of the specified and unspecified sources are reduced by an equal percentage.

Should a single approach be used by all reporting utilities? If so, which approach? Or is it acceptable that multiple approaches are used?

1. Clarify that sales of power from specified sources must be deducted from any claim to specified sources.