

Voluntary Energy Resource Alternatives Handbook

Version 3

July 1, 2019

Environmental Attributes

The following information describes the customer and Grant County processes related to rate schedule 13REC and 13SS.

Eligibility

Available to any Grant County PUD retail customer with service in Rate Schedule Nos. 7, 14, 15, 16, or 85 who wishes to voluntarily purchase or Renewable Energy Credits or Specified Source energy, where the source is known and the carbon emission factor is zero. For specified source transactions, preference will be given to hydroelectric facilities near Grant PUD's service area within the state of Washington.

Product Descriptions

The following products are available to customers eligible to transact under rate schedule 13REC.

Green-e RECs

Green-e Energy is a consumer protection program designed to provide purchasers of renewable energy good product information, assurance of product quality and verification of product ownership. Wind, Solar, Geothermal, certain Hydroelectric and certain Biomass electricity-generation technologies can be used in a Green-e Energy Certified renewable energy product. Facilities producing electricity from these sources need to have been built within 15 years of the year customer purchases the renewable energy.

When a renewable energy product is sold as Green-e Energy Certified, it means that seller has a contract with Green-e Energy and agrees to abide by all Green-e Energy rules. The seller must undergo annual verification of its renewable energy supply and sales, and the product offered was generated by resources that are eligible under the Green-e Energy National Standard. Green-e Energy Certified sales that are made in a given calendar year must be generated within the 12 months of that calendar year, the six months before the calendar year began, or the three months after the calendar year has ended. This creates a 21-month window of eligible generation dates from which renewable energy generation can be used toward Green-e Energy Certified sales in any given calendar year.

When renewable energy is represented as Green-e Energy *certifiable*, it means that in the seller's opinion the renewable energy they are selling meets the eligibility criteria in the Green-e Energy National Standard.

For further specifications on eligibility of resource and facility types and online dates, please see the [Green-e Energy National Standard](#). It is administered by Center for Resource Solutions, a nonprofit based in San Francisco, CA. All Green-e Energy requirements and auditing protocols are publicly available and can be found at www.green-e.org/energy.

WA Eligible RECs

Under Initiative 937, "eligible renewable resource" includes wind; solar; geothermal energy; landfill and sewage gas; wave and tidal power; and certain biomass and biodiesel fuels. Electricity produced from an eligible renewable resource must be generated in a facility that started operating after March 31, 1999. The facility must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a real-time basis. Incremental electricity produced from efficiency improvements at hydropower facilities owned by qualifying utilities is also an eligible renewable resource, if the improvements were completed after March 31, 1999.

Initiative 937 allows utilities to use "renewable energy credits" (RECs) to meet their acquisition targets. RECs can be bought and sold in the marketplace, and they may be used during the year they are acquired, the previous year, or the subsequent year.

When a REC is generated, it is assigned a unique serial number that can be tracked by a web based system. The western states and provinces of the United States and Canada, which make up the Western Electricity Coordinating Council (WECC), use a tracking system called the Western Renewable Energy Generation Information System (WREGIS).

Washington-eligible designation is an optional feature for REC's. Commerce is the WREGIS state program administrator for Washington. The owner or representative of a generating facility may apply to Commerce for optional designation as eligible under the Washington renewable energy standard. Once designated by Commerce, the RECs created by WREGIS for that generating facility will carry a "Washington eligible" indicator.

<http://www.commerce.wa.gov/growing-the-economy/energy/energy-independence-act/wregis/>

Grant County Specified Source Annual Volume

Washington regulations do not include specified source energy, however Grant PUD applies the following guidance from the State of California, California Air Resource Board (CARB) concerning California specified source transactions.

A specified source claim must include: a contract, direct delivery, and a specified source seller warranty throughout the market path.

(1) Contract requirement: A reporter claiming transacted electricity as specified needs to show evidence of a contract, which can include one of the standard enabling agreements.

(2) Direct delivery requirement: A reporter claiming transacted electricity as specified needs to demonstrate direct delivery, likely by providing the standard e-tag documentation, which is the most common, or by demonstrating another form of direct delivery

(3) Seller warranty requirement: The transacted electricity as specified needs to provide evidence of a specified power at the time the transaction is executed. At a minimum, voice tape indicates buyer agreed to buy specified power. Supplemental documentation, such as trade logs and/or aggregate daily, weekly, or monthly confirmations can strengthen the claim.

https://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-power/specified_source_acs_faqs.pdf

ELECTION OPEN PERIODS

During the election period, Grant will provide customers an estimated transaction price and a cap price for 1) Green-e certified renewable energy credits; 2) Washington eligible renewable energy credits; and 3) Specified Source Energy. Interested customers will provide Grant the volume of products that they wish to purchase prior to the end of the election period.

Below are **estimated timelines** for activities associated with rate schedule 13REC and 13SS:

3rd week in July

Grant PUD sends, via direct email customer agreement forms, which includes not to exceed cost estimates* for environmental attributes.

*Not to exceed cost estimates will be established at market based upon the best information available including broker quotes, market bids and offers, volatility, recently executed transactions plus Additional Charges excepting the Administrative Charge.

By close of business on July 31st

Customer submits completed agreement form to Large Power Solutions Account Executive with the volume of RECs or specified source to be purchased. Customer commits to purchase this stated volume at or below the cap price.

August 30th

Grant PUD expects to have completed the acquisitions of all environmental attributes.

- For customers who purchase RECs for 2018 and/or 2019 the related charges will appear on the **August** bill.
- For customers who purchase SS for 2019, delivery and billing will commence beginning **September 2019**.
- For customers who purchase SS for 2020, delivery and billing will commence beginning **January 2020**.

Grant secures specified source or RECs on behalf of customer. If the specified source is provided from Grant County PUD's portfolio, pricing will be established at market based upon the best information available including broker quotes, market bids and offers, and recently executed transactions.

Following Month:

Costs associated with the transaction will be added to the customer's bill and will be subject to the terms under the existing customer service policy.

In the event that Grant PUD is unable to secure the requested environmental attributes at or below the stated cap price then it will provide customers an updated price estimate and cap price and repeat the process.

Fourth Quarter of 2019

Grant publishes Washington Department of Commerce fuel mix report its website. This is an estimate only – the actual posting date is dependent upon when Grant County PUD receives fuel mix information from the State of WA.

Retirement of RECs in WREGIS

If applicable, Grant will register and retire RECs on customer's behalf within 12 months. At the time that the RECs are retired, the WREGIS fees will be assessed to the customer in their next billing cycle.

Rates

RATES: Base rates and other terms of electric service shall be governed by the Rate Schedule under which the customer takes ordinary services. Charges specified under this Rate Schedule are in addition to the charges specified in the Rate Schedule under which the customer takes its basic electricity service:

Incremental Block Size: 100 MWh

Minimum Purchase: 1,000 MWh per transaction

Maximum Purchase: Not to exceed customer's forecasted energy consumption over the period purchased less I-937 renewable energy requirement.

Charge: Current market rate with an identified maximum price will be communicated between Grant PUD and customer prior to execution of any purchase, and will include applicable fees.

ADDITIONAL CHARGES:

As applicable: Legal expenses, Broker Fees, Retirement Costs (depending on the REC's)

Administrative Charge: \$3,000 per transaction for Rate Schedule 13SS

Administrative Charge: \$1,500 per transaction for Rate Schedule 13REC

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 and or WAC 458-20-179 Public utility tax (PUT), consistent within the Laws of the State of Washington, will be added to the above charges.

BILLING PROVISIONS: a. If the customer remits a partial payment, that payment shall first be applied to the Specified Source energy attributes with any residual payment amount applied toward all other charges due Grant PUD. b. If a customer does not pay for the charges for their Specified Source energy,

Grant PUD shall immediately discontinue selling Specified Source energy attributes and RECs to that customer and may reclaim the previously sold Specified Source energy attributes that have not been paid for. The customer will remain liable for any shortfall between the purchase price and the resale price of the Specified Source energy attributes.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

Renewable Energy Certificate Customer Template Example



13REC Renewable Energy Certificate Purchase Agreement

(Customer) hereby agrees to purchase Renewable Energy Certificates from Public Utility District No. 2 of Grant County, Washington ("Grant PUD") in accordance with Rate Schedule No. 13REC and Grant PUD's Customer Service Policies and Voluntary Energy Resource Alternatives Handbook.

Customer Name: _____
Phone: _____
Email: _____
Mailing Address: _____
Street City State Zip
Service Address: _____
Street City State Zip
Account Number(s)
for billing: _____

Contracted level of participation:

National Green-e Certified (1,000 MWh equivalent minimum)	
2018	_____
2019	_____
Energy Attribute Price*: \$1.50/REC 2018	
Energy Attribute Price*: \$1.75/REC 2019	
Administrative Charge (per transaction): \$1,500	

OR

Washington Qualified (1,000 MWh equivalent minimum)	
2018	_____
2019	_____
Energy Attribute Price*: \$6.50/REC 2018	
Energy Attribute Price*: \$7.00/REC 2019	
Administrative Charge (per transaction): \$1,500	

*REC Price is a not to exceed value that includes market price plus applicable associated charges including but not limited to broker fees, retirement fees, tax and legal fees.

Term. The term of this Agreement shall commence on the date Grant PUD acquires the RECs required to provide service under this Agreement and shall terminate once all RECs have been retired after full payment has been received. Grant PUD shall make reasonable efforts to obtain the RECs for the subscription period requested by the Customer. If Grant cannot source all of the volume at the Energy Attribute Price, it will notify Customer of volume that it is able to supply and discuss alternative options with the Customer.

13REC Renewable Energy Certificate Purchase Agreement Page 2

Customer understands, Rate Schedule No. 13REC will result in a charge for the term of the subscription period, even if Customer discontinues Electric Service to the Service Address.

Customer agrees to Grant PUD using Customer's name and logo in Grant PUD materials, including Grant's web site, for purposes of public recognition and marketing. Yes ☐ No ☐

Customer Representative Signature: _____

Print Name: _____

Title: _____

Date: _____

Customer Signature: _____

Print Name: _____

Title: _____

Date: _____

Specified Source Customer Template Example



13SS Large Volume Specified Source Service Agreement

(Customer) hereby agrees to purchase Specified Source energy attributes from Public Utility District No. 2 of Grant County, Washington ("Grant PUD") in accordance with Rate Schedule No. 13SS and Grant PUD's Customer Service Policies and Voluntary Energy Resource Alternatives Handbook.

Customer Name: _____
 Phone: _____
 Email: _____
 Mailing Address: _____
 Street City State Zip
 Service Address: _____
 Street City State Zip
 Account Number(s) for billing: _____

Contracted level of participation:

Fixed Hourly kWh Alternative (114 kWh/hour minimum)	OR	Total Volume Alternative (1,000 MWh annual minimum)
2018		2018
2019		2019
Energy Attribute Price*: \$0.007/kWh 2018		Energy Attribute Price*: \$2.00/MWh 2018
Energy Attribute Price*: \$0.007/kWh 2019		Energy Attribute Price*: \$2.25/MWh 2019
Administrative Charge (per transaction): \$3,000		Administrative Charge (per transaction): \$3,000
Energy Attribute Charge shall be equal to the Fixed Hourly kWh multiplied by the number of hours in the billing month multiplied by the Energy Attribute Price.		Energy Attribute Charge shall be equal to the Total Volume MWh divided by the number of months of delivery multiplied by the Energy Attribute Price.

*Energy Attribute Price is a not to exceed value that includes market price plus applicable associated charges including but not limited to broker fees, tax and legal fees.

Delivery Start Date: _____ Delivery End Date: _____
 To be completed by Grant PUD

Grant PUD shall make reasonable efforts to obtain the Attributes for the subscription period requested by the Customer. If Grant cannot source all of the volume at the Energy Attribute Price, it will notify the customer of the volume that it is able to supply at the Energy Attribute Price and discuss alternative options with each Schedule 13SS customer.

13SS Large Volume Specified Source Service Agreement Page 2

Customer understands, beginning 2018, Rate Schedule No. 13SS requires a minimum term of one year and that the specified minimum monthly usage levels will result in a charge for the term of the subscription period, even if Customer discontinues Electric Service to the Service Address.

Customer understands and agrees that in the event a carbon tax is imposed on Grant PUD or Customer between 2017 and September 2020, this Agreement shall be null and void upon the effective date of the law. However, customer is responsible for full payment for all Energy Attributes procured on their behalf and delivered to Grant PUD prior to the effective date of the law.

Customer agrees to Grant PUD using Customer's name and logo in Grant PUD materials, including Grant's web site, for purposes of public recognition and marketing. Yes ☐ No ☐

Customer Representative Signature: _____

Print Name: _____

Title: _____

Date: _____

Customer Signature: _____

Print Name: _____

Title: _____

Date: _____