

Minutes -- NC-RETS Stakeholder Group Meeting Agenda – September 1, 2010
Underlined and/or Italicized Information Captures the Results of the Meeting

Issue	Questions	Current Law / Rules / Orders	Potential Solution
<p>1 A NC utility has contracted for RECs associated with a solar power facility's generation, specifically their power generated through the end of 2010. The generator has RECs issued in a registry other than NC-RETS. That registry has a three-month delay in issuing RECs. So, it will not be possible to import these RECs into NC-RETS until April of 2011.</p>	<p>In this example, what will be the date-stamp / vintage of the RECs from power generated in December 2010?</p> <p><u>Dec. 2010. Also, there is a 3-month lag in the issuance of RECs in both WREGIS and M-RETS</u></p>	<p>"New" rule R8-67(d)(4): Renewable energy certificates must be issued by, or imported into, NC-RETS in order to be eligible RECs. (See page 14 of Appendix A, Commission order in E-100, Sub 113, dated 8/3/10.)</p> <p>Procedures – Page 25: Electric power supplier will make transfers into</p>	<p><u>RECs must be associated with solar power and be of a vintage dated 2010 or earlier.</u></p> <p>AND</p> <p>1) The 2010 solar RECs must be legally owned by the electric power supplier and residing in NC-RETS by Feb. 15 of 2011. The electric power supplier must transfer the RECs into its 2010 Compliance Sub-Account by the time the EPS files its REPS compliance report / rider request.</p>
<p>2 For compliance with the 2010 solar obligation, does the utility have to purchase the RECs by the end of 2010? <u>Yes</u> Do the RECs have to be issued by the end of 2010? <u>No</u> Paid for? <u>No, not advisable if they haven't taken ownership yet, and can't take ownership until they are issued.</u> Be under contract? <u>Yes</u> Must the utility be the legal owner by the end of 2010? <u>No, not possible if they haven't been issued yet.</u> Have the RECs in an account under their name in a registry, any registry? <u>No.</u> Have them in their own NC-RETS account? <u>No</u> Where, exactly, do solar RECs need to be, when do they need to be there, and in what state of legal ownership, to count toward 2010 compliance? <u>See underlined language in fourth column.</u></p>		<p>compliance sub-account to mirror and support their annual REPS compliance filing.</p> <p>Rule R8-67(d)(1) A REC may be used to comply...in the year in which it is acquired or obtained by an electric power supplier or in any subsequent year...</p> <p>Banking RECs for use in a future year is OK. Borrowing RECs from a future year is not OK.</p>	<p>OR</p> <p>2) <u>Vintage 2010 RECs must be "under contract" by the end of 2010, but it is ok to take delivery in 2011, so long as the RECs are in the compliance sub-account by the time the compliance report is filed.</u></p> <p><i>The Stakeholders generally preferred an approach consistent with the under-lined language above. Karen Proffitt will discuss it with other Public Staff colleagues and provide feedback within a week or two.</i></p> <p>Update: Public Staff has confirmed that the under-lined</p>

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				<i>language is acceptable.</i>
3	Duke says that the Commission's rules state that a small, self-reporting generator is not required to enter its annual production data until April each year. This is too late for Duke.	Please provide citation that is causing the concern.	Page 19 of Procedures requires annual reporting for generators that self-report. No month is specified. Page 18 of "new" rule, R8-67(h)(8) states that solar pv < 10 kW shall report energy output to NC-RETS at least every 12 months.	<u>Duke was recalling "old" language from a draft of the procedures. They are fine with the new/existing language.</u>
4	If a solar facility has its meter read in the middle of a month, say January 15, 2011, will RECs associated with the first half of the meter-read period count toward the 2010 solar obligation? What about SEPA generation vintage January 2008? Is it OK if the meter read period includes part of Dec. 2007?	It depends. See discussion below.		<u>All QREs should use the month associated with the meter read date as the vintage month. Or, in the event of calendar-month billing, where the energy was all consumed in one month, but the meter is not read until early in the subsequent month, the month in which the usage occurred should be the vintage month assigned to the RECs. Stakeholders agreed with the underlined language above.</u>
5	Do PEC and Duke have generation data for solar facilities that needs to be uploaded? If yes, when do they estimate that this will be finished? What vintages will be assigned? (See below.)	PEC has solar data to upload and plans to start uploads for current data in September. Uploads of historic data but might test in October. <u>They sent a letter to generators with ID #s and are following up with phone calls.</u> Duke has solar data to upload and is working	Commission's 8/3/10 Order in E-100, Sub 113: "Beginning January 1, 2011, renewable energy facilities that participate in NC-RETS are only eligible for historic REC issuances for energy production going back two years." Page 18 of Procedures: "Energy-generation data should be reported within 30	<i>After the meeting APX communicated that NCMPA 1 has successfully uploaded generator data for a solar facility in Shelby three times, and RECs have issued successfully.</i>

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		<p>toward initial uploads for current data over the next week and the historic data will be uploaded at a later date as the process to get that information has not been fully mapped out yet. They understand that the deadline for uploading historical RECs is 12/31/10, and intend to upload well in advance of that date. <u>Duke is calling generators to encourage them to register their projects so that meter data uploading can proceed.</u></p> <p><u>GreenCo hopes to upload data in the next 30 days. They are working with NCEMC to develop generator ID #s that align with their EMS.</u></p>	<p>days of the meter read and will be accepted by the NC-RETS Administrator on an ongoing basis.”</p> <p>“New” rule R8-67(5) & (6): Utilities must provide NC-RETS with metering data monthly. (page 18 of appendix)</p>	
6	<p>PEC has interpreted Rule R8-67(e)(10) to mean that a REC’s costs must be recovered from customers before the REC can be used for compliance.</p>	<p>Does anyone agree with PEC’s interpretation?</p>	<p>R8-67(e)(10) “Incurred costs may be recovered by an electric public utility in any year after a REC is acquired or obtained until the REC is used to comply with....”</p>	<p><i>Stakeholders agreed the rule, as written, is open to misinterpretation. The intent is that utilities can retire a REC for compliance even if cost recovery has not yet occurred. It is hoped that at least one party will submit clarifying language by the 9/20 deadline in E-100, Sub 113.</i></p>

Background on REC-Creation Cycle:

Each REC has a vintage month, which is the month in which at least some of the energy / generation occurred. When the production period spans two calendar months, NC-RETS assigns all of the RECs in that batch to either one month or the other. The QRE (or account holder, if self-reporting) will assign the vintage month, which must be associated with either the month when the reporting period began or the month end.

Therefore, if a meter read spans December 15, 2010-January 15-2011, the vintage month can be Dec 2010 if December had not been utilized for the Nov-Dec data previously reported. If December 2010 had already been used for that generator, the vintage month would be Jan 2011. The system checks that the vintage month assigned by the QRE or account holder is contained in the span of days that make up the meter read.

A batch of production data / RECs can span up to 35 days.

A meter-read period could span from December 15, 2010 to January 15, 2011. In NC-RETS, the utility must upload the meter read by February 15. The RECs will issue when the generator confirms the accuracy of the meter data, or in 14 days if the generator does nothing. NC-RETS will date stamp the RECs as either vintage December 2010, or January 2011, depending on which vintage month was last used for that generator.

Should we agree that all QREs should use either the ending date month as the vintage month, or the calendar month of the usage? *That is the approach that all of the utilities except PEC have intended to use. PEC will check with their IT people to see whether it is possible for them to change their approach, seeing as they have not yet uploaded any metering data. UPDATE: PEC was able to change their approach. So, QREs are all to use the ending date of the meter read period to select the vintage month of the RECs.*

What if there is a second meter read before the end of the month? APX says NC-RETS will require that the next month be used as the vintage.

Note: Some registries assign vintages by quarters, rather than by months.

Other Business – Status of “Cost-Recovery Flag” team: Since Mike Maness of Public Staff will not be able to meet until the end of September, the sub-team has not met.