(Attachment B)

CPUC WORKSHOP
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NW Net Mix Calculations

Phil Carver

Oregon Dept. of Energy

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OVERVIEW

- Northwest historical context
- Basic calculation of NW Net System Mix
- Straw Proposal: CO_2 from non-specific purchases

Voluntary Retail REC Sales

- Currently, many retail customers buy green tags (RECs) to help the environment. Most do not get a stable rate.
- Under a CO_2 cap, if utilities get credit for these voluntary purchases, they will have no environmental impact.
- Voluntary retail sales of RECs are not viable if they have no impact.

NW History

- Oregon, Washington and California adopted retail label requirements for utility generation mix roughly ten years ago to inform voluntary retail REC sales
- OR and WA needed generation mix and CO_2 values where the power source was unknown
- US DOE provided a grant to develop a public data base. Operational 2001.

Net NW System Mix CO_2

- The NW Power Pool (U.S. portion)
- Used for non-specific purchases
- Gross NW generation
  - less OR and WA claims
  - plus (or minus) interchange with the 3 other U.S. sub-regions (CO/E.WY; AZ/NM/S.NV and CA)

2005 Results

	lb. CO_2 per MWh
• **Gross NW Mix**	901
• **Net NW Mix**	1,163

Goals for CO_2 Value For Non-Specific Purchases

1. A stable CO_2 rate for non-specific purchases (e.g. if other states or provinces join, CO_2 rate doesn't shift)
2. Sum of state load-based CO_2 claims = Sum of western emissions (if 11 states)
3. Minimize incentives for and impacts of "contract shuffling"

Straw Proposal for Non-Specific CO_2

- Assign plants to load where possible (5 MOU states = 75% of sales in U.S. West)
  - Use FERC Form 1 to assign all IOU power plants and unit contracts to loads
  - Assign WAPA and BPA power to their loads; COU resources?
- Leaves a stable remainder for one Westwide net system mix or two or more sub-regional net system mixes

Contact Information

- Oregon has many energy and development incentives (tax credits, loans, etc.)

- Oregon Department of Energy
  philip.h.carver@state.or.us
  503-378-6874

- http://www.oregon.gov/ENERGY/

(End Attachment B)