

DRAFT RULE LANGUAGE For Advisory Committee Review

Chapter 173-441 WAC Reporting Emissions of Greenhouse Gases

Appendix B: Utility Average System Mix Reporting

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B.1 Introduction to average system mix reporting.

(1) A utility must report its average system mix to Washington State Department of Community, Trade, and Economic Development (CTED). The average system mix is the total of all power and market resources that the utility purchases or operates during the reporting year, pro-rated by the proportion of this total that is needed to serve its retail customers' load. CTED, or an alternative contractor designated by CTED, will use this average system mix data to calculate the CO₂ utility-specific emission factor.

(2) **Example of applying the average system mix.** The following example illustrates the information that utilities must report to Washington Department of Commerce.

Utility A served 12,000 MWhs of total retail load in an annual period. Over the course of the year, Utility A received or purchased power resources totaling 16,000 MWhs from three sources: a hydro generating unit it owned (10,000 MWhs); BPA SLICE (4,000 MWhs); and market purchase contracts (2,000 MWhs). Utility A must calculate the proportion of each electricity source's contribution to the utility's average system mix by dividing the total retail load (12,000 MWhs) by the total of all power resources (16,000 MWhs). In this example: $12,000/16,000 = 0.75$, or 75%. Utility A must then claim 75% of the power it obtained from the hydro generating unit, 75% of its BPA SLICE, as well as 75% of the market purchase contracts. (Note the two exceptions for above market power purchases and BPA block purchases in section 2 of this Appendix)

Utility A's retail load (sales + line losses) = 12,000 MWhs

Utility A's owned or purchased power:

Hydro Facility Z = 10,000 MWhs

BPA Slice = 4,000 MWhs
 Market Purchases = 2,000 MWhs
 Total Power Resources = 16,000 MWhs

Divide retail load by total purchases:
 $12,000/16,000 = 0.75$

Therefore Utility A's claims are reported as:
 Hydro Facility Z $10,000 * 0.75 = 7,500$ MWhs
 BPA Slice $4,000 * 0.75 = 3,000$ MWhs
 Market Purchases $2,000 * 0.75 = 1,500$ MWhs
 Total = 12,000 MWhs

B.2 Exceptions to the fuel mix average reporting.

(1) **Above-market power purchases.** The utility may report as a claimed resource all of the power produced from investments in a specific above-market power resource with unique societal attributes, such as a renewable resource, for which the utility does not resell that electricity specifically as power produced by that unique power generator.

(a) **Green power program resources.** The intent of the fuel mix disclosure is to determine the fuel mix of electricity sold to general customers. Resources sold through a utility's Green Power Program are reported to Washington State's Department of Commerce in the annual Green Power Report and should not be included in the fuel mix average reporting.

(b) **Retention of environmental attributes.** If a utility retains the environmental attributes (such as green tags or renewable energy credits) and does not sell these attributes so that the renewable power is blended with the electricity sold to general customers, then your utility can report that generating unit in the fuel mix disclosure reporting process.

(c) **Selling of environmental attributes.** If a utility sells the environmental attributes (such as CO₂ credits, or the green tags from any renewable resource) but keeps the electricity, then that electricity is no longer considered a renewable resource for fuel mix purposes. For this process, that electricity must be reported as a market purchase contract and will be assigned the fuel mix of the Northwest Power Pool's net system mix. Likewise, if the utility purchased green tags from a specific renewable resource generating unit, then the utility can report a resource claim on that renewable generating resource. The company that sold that green tag to the utility would now report its electricity as a market purchase contract.

(d) **Example of how to address above-market purchases:**

Utility B's retail load (sales + line losses) = 12,000 MWhs

Utility B's owned or purchased power:

Wind Facility Y = 1,000 MWhs
 Hydro Facility Z = 10,000 MWhs
 BPA Slice = 4,000 MWhs
 Market Purchases = 2,000 MWhs
 Total w/o Wind = 16,000 MWhs

Subtract Wind purchases from retail load:
 $12,000 - 1,000 = 11,000$ MWhs

Divide new retail load figure by total purchases w/o wind:
 $11,000/16,000 = .6875$

Therefore Utility B's claims are reported as:
 Hydro Facility Z $10,000 * .6875 = 6,875$
 BPA Slice $4,000 * .6875 = 2,750$
 Market Purchases $2,000 * .6875 = 1,375$
 Wind Facility Y = 1,000
 Total = 12,000 MWhs

(2) BPA Block purchases (non-BPA SLICE purchases of power) made by utilities who are not BPA full requirements customers. Since BPA Block is intended to be utilized strictly to serve retail load and not resold, the full amount of BPA Block purchases made during the calendar year should be counted as part of the utility's average system mix. BPA block purchases must be deducted from total power resource purchases and from retail load before calculating the multiplier used to apportion other resources for inclusion in the average system mix.

(a) Example of how to address BPA block purchases:
 Utility C's retail load (sales + line losses) = 12,000 MWhs

Utility C's owned and purchased power:
 Owned Hydro Facility = 8,000 MWhs
 Market purchase contracts = 2,000 MWhs
 BPA Block purchase = 4,000 MWhs
 Total purchases = 14,000 MWhs

Total purchases w/o BPA Block purchases = 10,000

Subtract BPA Block purchases from retail load:
 $12,000 - 4,000 = 8,000$ MWhs

Divide new retail load figure by total purchases w/o BPA Block purchases:
 $8,000/10,000 = 0.8 = 80\%$

Therefore Utility C's claims are reported as:
 Owned Hydro Facility = $8,000 * 0.8 = 6,400$
 Market contracts = $2,000 * 0.8 = 1,600$
 BPA Block purchase = 4,000 MWhs
 Total = 12,000 MWhs

B.3 Definitions.

“BPA SLICE” means utilities that have a contracted agreement with BPA to receive at all times a portion of BPA managed resource mix.