

**Consumer-Owned TRC Initiative (COTI)**  
**Request for Information**  
**Regarding the Certification and Marketing of**  
**Wholesale Tradeable Renewable Certificates (TRCs) from Consumer-Owned Power Sources**

**1 BACKGROUND**

The Western Area Power Administration (Western) is facilitating this Request for Information (RFI) on behalf of various consumer owned-utilities and in cooperation with the National Rural Electric Cooperative Association (NRECA) and the American Public Power Association (APPA). This effort is hereafter referred to as the Consumer-Owned TRC Initiative (COTI). The entities supporting COTI include: Western; APPA; NRECA; and numerous consumer-owned utilities. This RFI is seeking information from interested organizations regarding support services to facilitate the development of a national market for wholesale tradeable renewable certificates (TRCs) from consumer-owned power sources. The entities supporting COTI anticipate the availability of TRCs from existing and potentially new renewable energy projects to be available for trading as soon practicable.

Western is requesting information in three areas related to the development of this market, namely: 1) wholesale TRC certification support, 2) wholesale TRC branding and marketing assistance, and 3) retail TRC product development. The purpose of this RFI is to request a description of the framework, and the terms and conditions required for consumer-owned power entities to do business with prospective organizations in supporting the COTI. Individual respondents and teams of organizations are encouraged to respond to all three areas of support, or individual support areas, as applicable to your organization's / team's capabilities and qualifications. The entities supporting COTI have established a COTI Review Team. The COTI Review Team will review each response to the RFI and will make recommendations to the entities supporting COTI regarding future direction for the COTI.

**1.1 Western Area Power Administration**

Western is a power marketing administration within the U.S. Department of Energy. Western's primary mission is to sell and deliver electricity from Federal water-project power plants, principally owned by the Bureau of Reclamation and the Army Corps of Engineers. Western owns and operates transmission facilities that connect power resources to regional load centers and contracts for transmission capacity on the systems of other regional utilities. By using these facilities, Western is able to deliver contracted firm power with other regional utilities in 15 western states.

**1.2 National Rural Electric Cooperative Association**

The NRECA is the national organization representing the national interests of the cooperative electric utilities and the consumers they serve. NRECA has nearly 1,000 member cooperatives that serve 36 million people in 47 states. Most of the 875 distribution systems are consumer-owned cooperatives; some are public power districts.

**1.3 American Public Power Association**

APPA is the service organization for the nation's more than 2,000 community-owned electric utilities that serve more than 40 million Americans. It was created in 1940 as a non-profit, non-partisan organization. Its purpose is to advance the public policy interests of its members and their consumers, and provide member services to ensure adequate, reliable electricity at a reasonable price with the proper protection of the environment.

**2 DESCRIPTION OF REQUESTED SERVICES AND SUPPORTING INFORMATION**

The following sections address the information requirements requested of respondents to the COTI RFI. In preparing your response, please address each of the components related to each area of service your organization wishes to provide support services. Please note that the entities supporting COTI are not seeking support services in the area of TRC tracking mechanisms; rather, respondents should ensure that

their proposed services are consistent with standards and requirements set forth by existing and emerging tracking mechanisms such as the Western Renewable Energy Generation Information System (WREGIS) and standards being developed to support TRC tracking among regions of the country such as the those under development by the North American Association of Issuing Bodies (NAAIB).

## **2.1 Wholesale TRC Certification Services**

The entities supporting COTI have developed a proposed "*National Consumer-Owned Power Wholesale Tradeable Renewable Certificate Certification Guidelines*". These guidelines are included as Attachment A to this RFI. The RFI seeks responses from qualified organizations to provide certification support based upon these proposed guidelines. These services may include, but may not be limited to: 1) certification of disclosure statements, 2) certification of attestations, 3) certification of annual verification and audit process requirements, and 4) certification of vintage of eligible TRCs. In preparing your response to this support area, please provide information on:

- A description of your organization's approach to certifying wholesale TRCs based upon the guidelines provided in Attachment A.
- Estimated costs for this proposed certification process (i.e., per transaction, per annum); and
- Proposed terms and conditions, and timeframe, for providing TRC certification process support.

## **2.2 Wholesale TRC Branding and Marketing Services**

The entities supporting COTI are soliciting information in the area of marketing services, including product branding, to support the development of a national wholesale market for TRCs from consumer-owned power sources. In preparing your response to this support area, please provide information on:

- Your organization's approach to marketing wholesale TRCs from consumer-owned power sources, and your approach to developing a distinctive brand to represent the consumer-owned utility TRC product (i.e., marketing plan and product branding strategy);
- Your organization's estimate of wholesale TRC market growth;
- Estimated cost structure for proposed marketing and brand development services; and
- Proposed terms and conditions, and timeframe, for providing TRC marketing and branding services.

## **2.3 Development of National Retail TRC Product from Consumer-Owned Power Sources**

The entities supporting COTI are interested in responses from organizations on their approach to developing a retail TRC product from consumer-owned power sources, in addition to the wholesale TRC services described above. In preparing your response to this area, please provide information on:

- Your organization's approach to development of a retail TRC product and market corresponding to the wholesale TRC products detailed above. Specifically, the entities supporting COTI are interested in knowing the process and requirements involved in moving from wholesale to retail TRC transactions.
- Your organization's estimate of retail TRC market growth;
- Estimated cost structure for augmenting the wholesale TRC related services with retail TRC support services; and
- Proposed terms and conditions, and timeframe, for providing retail TRC support services.

## **2.4 Additional Considerations**

The entities supporting COTI are also interested in information from organizations on any additional services that may be offered in support of its TRC initiative. In preparing your response, please provide information on:

- Any additional services that your organization proposes to increase the likely success of the Consumer-Owned Utility TRC initiative;
- Any proposed modifications or enhancements to the scope of services detailed in the above sections;
- Estimated cost structure for any proposed additional/modified services; and
- Proposed terms and conditions, and timeframe, for providing additional/modified services.

### **3 RESPONDENT QUALIFICATIONS**

In reviewing potential sources of service providers for the items detailed above, the entities supporting COTI are interested in the background and qualifications of responding organizations, specifically related to the following items regarding TRC support services:

- Organization/team structure and background
- Length of time in business
- Qualifications of key personnel
- Professional references
- Length of time providing TRC certification, marketing and branding support, and/or retail TRC product development services (as applicable)
- Financial reports / Annual reports
- Number of TRC clients
- Geographical markets served
- Ability to serve the entire U.S. market

### **4 RFI SUBMITTAL GUIDELINES AND REVIEW PROCESS**

The following sections address the COTI submittal guidelines and review process for this RFI.

#### **4.1 Submittal Guidelines**

In preparing submittals, respondents to this RFI are requested to provide the information requested within each area of service identified. Inclusion of extraneous information in responses that is not requested in the RFI is discouraged. Respondents may elect to respond to all areas of service, one individual area, or any combination of service areas requested.

Questions regarding this RFI must be submitted electronically by February 16, 2004. Questions received will be responded to electronically and will be distributed to all organizations on the bidder list. All questions related to the COTI RFI should be directed to:

Mr. Randy Manion  
Renewable Resource Program Manager  
Western Area Power Administration  
Email: manion@wapa.gov

All responses to the COTI RFI should be submitted in electronic format only (PDF) by 5:00 PM on March 1, 2004. Responses received after the designated deadline will not be considered. On behalf of the entities supporting COTI, submittals should be sent to:

Mr. Randy Manion  
Renewable Resource Program Manager  
Western Area Power Administration  
Email: manion@wapa.gov

#### **4.2 Review Process**

The COTI Review Team will provide an acknowledgement to all responses received to this RFI. The COTI Review Team will review responses to this RFI and determine future directions for the COTI. The COTI Review Team is comprised of representatives from the following organizations:

- Western Area Power Administration
- Bonneville Power Administration
- American Public Power Association
- National Rural Electric Cooperative Association
- Arizona Power Authority

- Basin Electric
- Missouri River Energy Services
- Enervision, Inc.
- Nebraska Public Power District

The COTI Review Team will evaluate all responses received and provide a recommendation to all the entities supporting COTI on a program implementation strategy and potential organizational prospects. At its discretion, the COTI Review Team may elect to solicit additional information or clarification from individual RFI respondents as needed, may begin negotiations with a selected organization and/or organizations to provide requested services, may issue a subsequent formal Request for Proposals, or pursue alternative implementation strategies as it sees appropriate, and at its discretion. At the present time, this RFI seeks only information. This RFI should not be read to imply that Western, the NRECA, the APPA, and/or any of entities supporting COTI necessarily intend to contract for, or purchase, any particular goods or services at the present time. No commitments of funds are presently being made.

#### **4.3 Use of Information in Responses / Confidentiality**

Western will provide information submitted under this RFI to the COTI Review Team for its analysis, as per the review process described above. The entities supporting COTI will not divulge identifying information in responses to others not involved in the COTI RFI process. All members of the COTI Review Team have signed non-disclosure statements. Information submitted that is clearly designated as confidential and/or proprietary will be treated accordingly, and the entities supporting COTI will not provide such information to others without the respondent's consent or as legally required. Respondents should clearly indicate all sensitive sections of the response as "confidential" that they wish to remain confidential. Areas within responses not designated as confidential may be shared with individuals outside of the COTI Review Team, but involved in the COTI.

# ATTACHMENT A

## Proposed

### National Consumer-Owned Power Wholesale Renewable Energy Credit Certification Guidelines

#### **1 OVERVIEW**

This document presents the proposed certification guidelines to support the development of a National Wholesale Tradeable Renewable Certificate (TRC) sales and trading process for consumer-owned power entities. This process will serve to certify TRCs by participating consumer-owned power entities to support wholesale TRC transactions and the marketing claims underlying the resource type, location, and quantity of the renewable energy resources associated with the TRCs.

A consumer-owned power entity is defined as a consumer- or member-owned electric utility organized to provide reliable, responsive, not-for-profit electric services; and is directly accountable to its consumers via locally elected or appointed officials. These entities are generally defined as electric cooperatives, municipalities, irrigation districts, public power/utility districts, tribal-owned facilities and power marketing agencies. For the purposes of this initiative, the term "consumer-owned power entity" is defined as any entity that is eligible for full membership in the National Rural Electric Cooperative Association (NRECA) or the American Public Power Association (APPA).

This proposed certification process does not define the term "renewable energy", and refers to guidelines established by state and federal governments or other nationally recognized standard setting bodies as necessary for trade partners to meet Renewable Portfolio Standards (RPS) or Environmentally Preferable Power (EPP) purchasing agreements. Nor does this process make any claims regarding the market value of TRCs certified. This process is solely intended to certify the claims of consumer-owned power entities seeking to market the environmental attributes of renewable energy resources via wholesale TRC transactions. The following sections detail the criteria for certifying wholesale consumer-owned power TRCs.

#### **2 DISCLOSURE**

A key element of the TRC certification process is the submittal of a "disclosure statement" by the consumer-owned power entity certifying the resource and the associated TRCs. Certification of disclosure statements will be based on disclosure statements in place or proposed for the TRC product under consideration. This statement shall include, at a minimum:

- **Generation type**
  - ◆ wind turbine
  - ◆ solar collector
  - ◆ combustion turbine
  - ◆ combined heat and power
  - ◆ hydroelectric turbine
  - ◆ fuel cell
  - ◆ stirling engine
  - ◆ Rankin cycle
  - ◆ internal combustion engine
  - ◆ other
- **Fuel / energy source**
  - ◆ wind
  - ◆ solar
  - ◆ geothermal
  - ◆ biomass
    - agricultural residues
    - animal waste

- forest residues, wood waste
  - municipal solid waste
  - landfill gas
- ◆ water
- ◆ renewable-based hydrogen
- ◆ hybrid (specify type and percentage)
- ◆ waste heat
- ◆ other
- **Location of generation**
  - ◆ City, and/or County, or Tribe and State
  - ◆ EIA #, if applicable
- **On-line date of generation plant**
- **Date the TRCs began being generated (month and year), and**
- **Estimated/actual generation capacity and energy production.**

### 3 ATTESTATIONS

The following attestations are required of the generator and/or vendor of the TRCs (as noted, although they may be the same entity) in the submittal requesting certification of wholesale TRCs:

- By generator and vendor attestation, no knowledge exists of any existing or potential double counting, double selling, or double claiming of TRCs resulting from this generation resource. Note: generator/vendor may claim it is "hosting" a renewable energy generation resource, but may not take claim to any of the TRC attributes of the resource from any TRCs sold;
- By vendor attestation, the TRCs associated with the renewable resource have not been previously sold, and if they have been previously sold by the vendor, then vendor acknowledges that no legal claims can be made regarding ownership rights of those TRCs;
- By generator attestation, the electricity associated with the TRCs was delivered into the electric power system or consumed on-site (i.e., on the consumer side of the utility meter) by an end-user, and was not marketed or otherwise represented as renewable energy;
- By generator and vendor attestation, all the environmental attributes of the renewable energy source were bundled and have not been sold off separately, and have not been double counted. Note: any subsidies received in support of the renewable resource do not offset the environmental attributes of the resource;
- By vendor attestation, must ensure by reporting requirements and other contractual obligations with generators that any emission reduction credits or emission allowances allocated to or otherwise received by the generator for the generation output that is associated with the TRC product has not been used for compliance with any air quality requirement of local, state, or federal government;
- By generator and vendor attestation, generation output which supports the TRC product has not been used for compliance with any procurement, renewable energy portfolio standard or other renewable energy requirement of local, state or federal government. If a portion of the generation output and/or associated TRCs have been used for compliance purposes, said portion is ineligible for TRC certification, and the remaining generation output not used for compliance purposes shall remain eligible for TRC certification;
- By vendor attestation, the TRCs associated with renewable generation output have not been previously sold, and will be sold to only one customer. Note: each time a TRC is sold the vendor must provide a new attestation;
- By vendor attestation, a description of, and contact information for, the entity or entities purchasing the TRCs has been provided to the certification entity.

### 4 VERIFICATION / AUDIT PROCESS

The following provisions comprise the verification and audit procedures to support the TRC certification process:

- Verification of submitted disclosure and attestation information shall take place on an annual, calendar year basis; and

- The verification process shall require that the certified provider fill out worksheets and attestations, obtain attestations from its providers and other supporting documents, and hire an independent auditor or certified internal auditor to verify the accuracy of the information collected. The auditor shall provide a report to the certifying entity testifying to the results of the audit.

## **5 VINTAGE OF TRCS ELIGIBLE FOR CERTIFICATION**

The following language describes the vintage of TRCs that are eligible under this certification process:

- A certified TRC product may only include TRCs that are generated in the calendar year in which the product is sold, the first six months of the following calendar year, or the last six months of the prior calendar year.