

# Boulder Canyon Project Renewable Energy Certificates

Desert Southwest Region

Jim Kendrick

Vice President of Power Marketing

September 13, 2022



# Topics

Welcome and Introductions

Jim Kendrick

Overview, Policy, and Electric Service Contracts

Patricia Weeks

Proposed Process for Unclaimed RECs

Trent Nunn

Feedback/Questions

All

Next Steps

Patricia Weeks



# Overview, Policy, and Electric Service Contracts

Patricia Weeks

Contracts and Energy Services Manager



# Renewable Energy Certificates

What are Renewable Energy Certificates (RECs)?

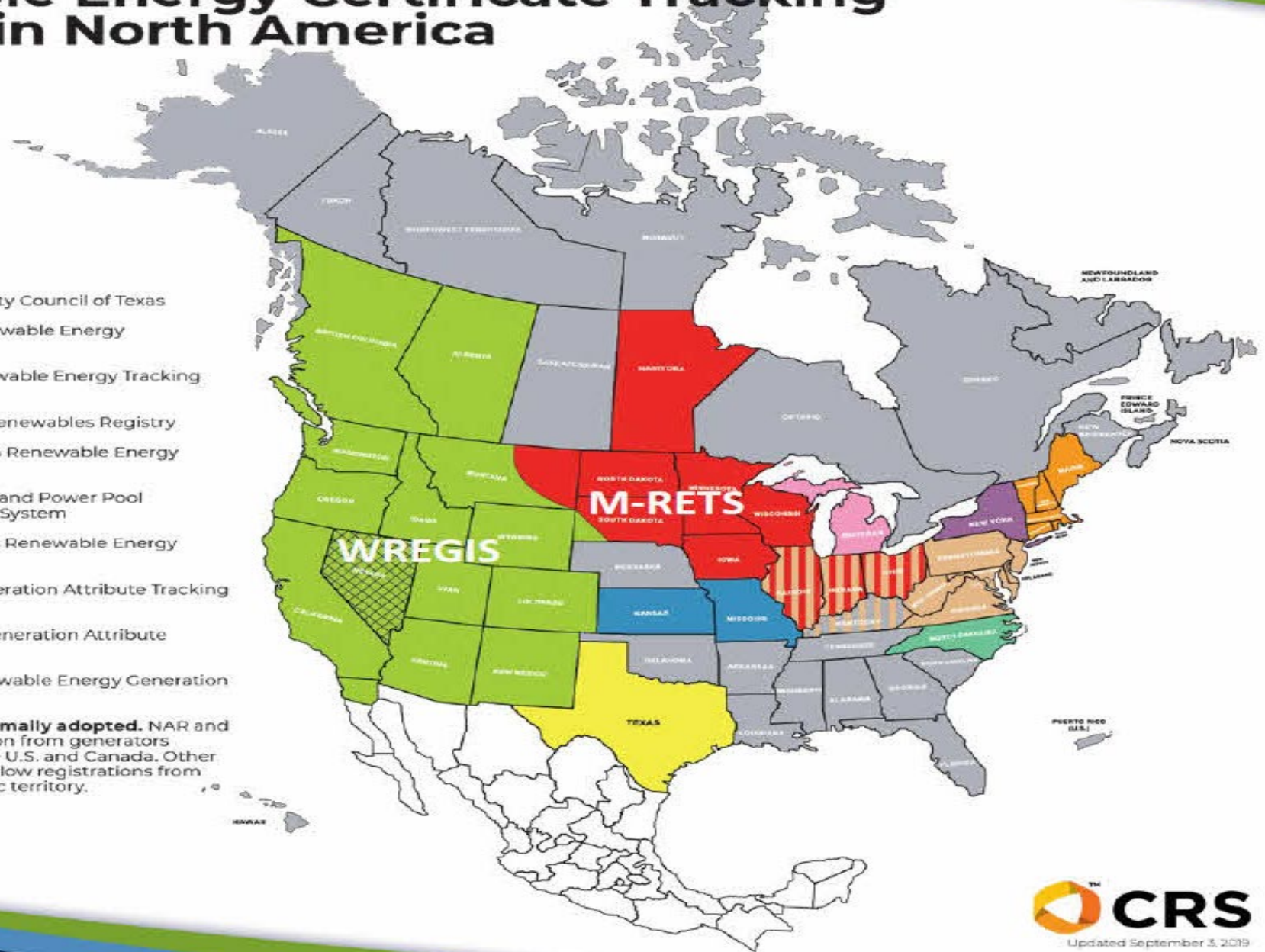
A REC represents all renewable and environmental attributes of one megawatt hour (MWh) of electricity generation from a renewable energy generating unit registered with Western Renewable Energy Generation Information System (WREGIS) or Midwest Renewable Energy Tracking System (M-RETS).



# Renewable Energy Certificate Tracking Systems in North America

## KEY

- ERCOT:** Electric Reliability Council of Texas
- MIRECS:** Michigan Renewable Energy Certification System
- M-RETS:** Midwest Renewable Energy Tracking System
- NAR:** North American Renewables Registry
- NC-RETS:** North Carolina Renewable Energy Tracking System
- NEPOOL-GIS:** New England Power Pool Generation Information System
- NVTREC:** Nevada Tracks Renewable Energy Credits
- NYGATS:** New York Generation Attribute Tracking System
- PJM-GATS:** PJM EIS's Generation Attribute Tracking System
- WREGIS:** Western Renewable Energy Generation Information System
- No tracking system formally adopted.** NAR and M-RETS allow registration from generators located anywhere in the U.S. and Canada. Other tracking systems may allow registrations from outside their geographic territory.



# Boulder Canyon Project RECs

- Desert Southwest Region (DSW) has been creating and transferring RECs associated with hydropower generated at Federal facilities since 2021
- Electric service contractors are entitled to RECs in proportion to their energy allocation
- In 2021, RECs were transferred to those contractors who executed an agreement with DSW
- RECs were registered and transferred using WREGIS
- 2021 unclaimed RECs were sold at market price and used to reduce project revenue requirement



# 2021 RECs Sales and Costs

Revenue from selling RECs: \$1,195,840

WREGIS Cost: \$ 20,667  
(labor costs not included)



# WAPA's RECs Policy for Other Projects

- WAPA's Power Marketing Management Council approved a revised internal policy September 24, 2021
- Costs associated with claiming RECs, such as transferring the RECs through WREGIS or M-RETS, may be passed on to customers
- No formal marketing plan or associated public process is necessary for unclaimed RECs; however, allowing for customer input in regional RECs programs is recommended
- Regions may sell unclaimed RECs at market prices
- This policy is not applicable to Boulder Canyon Project, since its electric service contract covers RECs





# Electric Service Contract

## Environmental Attributes – Section 6.11.6

The Contractor shall have the right to utilize any Environmental Attributes associated with the Contractor's Allocation for compliance with any environmental laws, regulations, or standards applicable to the Contractor; provided, that any sale, transfer, or award of Environmental Attributes by the Contractor to third parties shall be subject to approval by WAPA, not to be unreasonably withheld. WAPA agrees to undertake any reasonable actions necessary to effectuate the Contractor's use of the Environmental Attributes.



# Electric Service Contract (continued)

WAPA makes no representation or warranty as to whether the Environmental Attributes associated with the Contractor's Allocation are compliance instruments that qualify for or meet any particular environmental laws, regulations, or standards applicable to the Contractor.

The Contractor shall be responsible for all costs arising from or directly relating to the Contractor's use of Environmental Attributes. Any Environmental Attribute not utilized by the Contractor may be utilized by WAPA or the Bureau of Reclamation (Reclamation) for the benefit of the Contractor or the BCP as appropriate and feasible; provided that WAPA and Reclamation shall consult with the Contractor prior to utilization of any Environmental Attribute.



# Contractor Comment/Issue

Has WAPA looked at the option of providing REC revenues to the contractors that provide the RECs, versus returning revenues to the project?

WAPA appreciates the question and the concern expressed that all BCP contractors are receiving the benefits compared to only those BCP contractors unable to claim their RECs. WAPA will discuss with BCP contractors options to directly provide benefits to those BCP contractors who do not claim their RECs in the future.



# Proposed Process for Unclaimed RECs

Trent Nunn

Settlements and Billing Manager



# Proposed Process

## Settlement of RECs

- Determine total dollar amount of unclaimed RECs sold by WAPA
- For Contractors that did not claim RECs, calculate bill credits based on each contractor's proportionate share of REC revenues minus labor and expenses

## Crediting for RECs

- Credits will be applied against the energy charge on the contractors invoice for service

## Future Improvement

- Create a report in the Hoover Portal so each contractor can view their credits



# Feedback/Questions



# Next Steps

- Please submit questions or comments about proposed process or alternatives within 30 days
  - Email [DSWPWRMRK@WAPA.GOV](mailto:DSWPWRMRK@WAPA.GOV)
- DSW will review and consider comments, provide responses, adjust proposed process if necessary, and reconvene or discuss at a future E&OC meeting



# Contacts

Jim Kendrick

VP of Power Marketing

kendrick@wapa.gov

(602) 605-2555

Trent Nunn

Settlements and Billing Manager

nunn@wapa.gov

(602) 605-2862

Patricia Weeks

Contracts and Energy Services

Manager

weeks@wapa.gov

(602) 605-2594

