

Western Area Power Administration
Proposal for a CRSP Management Center
Renewable Energy Certificate Program
Dated
July 6, 2022

Background:

The Western Area Power Administration (WAPA) Colorado River Storage Project-Management Center (CRSP) Renewable Energy Certificate Program Policy (CRSP REC Program) was officially implemented on August 14, 2014, after an informal public process with its Firm Electric Service (FES) customers. A 2014 CRSP REC Program proposal, and subsequent emails and letters to customers documented the progressive development and implementation of the program employing the Western Renewable Energy Generation Information System (WREGIS) managed by the Western Electric Coordinating Council (WECC).

Purpose of CRSP REC Program Updates:

Originally, proposed updates to the CRSP REC Program were focused on, and limited to, establishing a procedure for identifying and selling Relinquished RECs to create a new revenue stream for the Upper Colorado River Basin Fund. However, due to a number of customer comments and concerns on other topics such as the WAPA-wide REC Policy, resale of RECs, and REC transfers to retail customers, among others, updates to the CRSP REC Program are now expanded to address these broader issues and concerns.

It is important to note the CRSP REC Program is managed pursuant to the WAPA-wide REC Policy dated September 24, 2021, as amended, and attached hereto. CRSP is not offering or suggesting changes to the WAPA-wide REC Policy. However, CRSP does have the flexibility,

as do the other WAPA Regions, to implement the WAPA-wide REC Policy in accordance with the specific needs of its program.

Proposed Updated CRSP REC Program:

Definitions:

Renewable Energy Certificate (REC) shall mean all renewable and environmental attributes associated with one megawatt-hour (MWh) of electricity from Federal hydropower generating units marketed by CRSP MC and registerable through WREGIS.

Calendar Year shall mean a calendar year, January 1 through December 31.

Claimed RECs shall mean the RECs bundled with a customer's proportionate share of federal hydropower marketed by CRSP and available to each CRSP customer through Western Regional Energy Generation Information System (WREGIS), whether or not that the customer initiates REC title and ownership transfer from CRSP through WREGIS, as further described in Yearly Report herein. Note that deviations from this definition may exist under tribal benefit crediting arrangements among applicable parties.

Relinquished RECs shall mean those RECs a customer relinquishes back to CRSP in writing.

Yearly Report shall mean a report CRSP provides to each customer showing their proportionate share of calendar year RECs based on the pro-rata amount of kWhs of hydropower the customer is entitled to pursuant with its FES Contract, exhibits, and attachments, as amended and revised. This amount will not necessarily equal the total

amount billed to that customer the previous year because firming purchases made by the CRSP will be removed from the total kWhs delivered. The CRSP determinations of customer proportional share of calendar year RECs are final.

CRSP REC Program Provisions:

1. Program Administration Expenses: Because the customer's energy allocation is bundled with RECs; there will be no additional charge to administer each customer's proportionate share of calendar year RECs into a WREGIS sub-account under the customer's name. However, each customer desiring title and ownership of RECs will need to become a WREGIS Account Holder and pay WECC any associated WREGIS costs to transfer REC title and ownership from CRSP MC's WREGIS sub-account to the customer's WREGIS Account Holder account.
2. Calendar Year REC Transfers to Customers: Commencing the 2nd quarter (April-June) of each calendar year, customers will receive a Yearly Report notification by email, from WAPA, of their proportional share of previous calendar year RECs associated with Federal hydropower generating units marketed by CRSP. RECs will be registered through WREGIS and deposited into a CRSP WREGIS sub-account under the customer's name.
3. Limited to Firm Electric Service Hydropower Deliveries: Firming purchases and power delivered under Customer Displacement Power, Western Replacement Power, or Western Replacement Firming will not be part of the CRSP REC Program. Also, power purchased from renewable sources will not be part of the CRSP REC Program since the purpose of the CRSP REC Program is to facilitate the use of RECs

associated with Federal hydropower allocations.

4. Use of Claimed RECs:

4.1 Each customer may freely use these RECs for any purpose other than resale. Any purpose may include but is not limited to REC transfers between G&Ts and their coop members, transfers between Joint Action Agencies and their members, transfers to their retail electricity customers, among other potential transfers.

4.2 Customers may charge an administrative fee to transfer RECs in those circumstances described in Section 4.1, herein, and in accordance with their own rules and regulations, just as customers create retail electricity rates to integrate and sell federal hydropower to their retail customers.

4.3 Claimed RECs may not be resold under any circumstance, including those pertaining to REC transfers under Section 4.1.

4.4 If a customer does not create an independent WREGIS account, the Yearly Report of RECs will continue to be deposited annually in the CRSP WREGIS Account under the customers' name. The RECs will accumulate until the customer creates its own independent WREGIS Account and requests title transfer either to their own account or to another customers' account pursuant to the CRSP REC Program, herein.

5. CRSP Use of Relinquished RECs: In those circumstances where a customer chooses to Relinquish RECs back to CRSP, including Relinquished Project Use

Power RECs or RECs associated with excess energy sales, CRSP may unbundle the RECs from the underlying energy and use the RECs at its discretion, including selling the Relinquished RECs back to preference customers (see Process for Selling Relinquished RECs) or to a third-party REC marketer for resale or other uses without limitation. Revenue from Relinquished REC sales will be treated in the same manner as surplus energy and capacity sales within the power revenue requirement and will be deposited into the Upper Colorado River Basin Fund (Basin Fund).

6. Process for Selling Relinquished RECs: In the second quarter (April-June) of each year, CRSP will initiate a process to identify any potential Relinquished RECs. Customers will have the opportunity to relinquish RECs back to CRSP by checking a box and signing a form attached to the annual CRSP WREGIS REC distribution notice. BOR will be encouraged to relinquish any Project Use Power RECs.
 - 6.1 RECs associated with excess energy sales will also be included in the tally of RECs available for sale.
 - 6.2 Once RECs are identified as available, CRSP will email its customers and third-party REC marketers of their availability for purchase.
 - 6.3 Customers will provide a sealed bid for all or a portion of the available RECs.
 - 6.4 Customers will be given preference, however, final sale decisions will be influenced by bid price and quantities.
 - 6.5 Final transactions will be kept confidential to the extent allowable by law and are solely determined by CRSP based on maximizing revenues for the Basin

Fund.

7. Benefit Crediting: In those circumstances where a benefit crediting agreement exists between two or more parties, unless clarified in the benefit crediting agreement, the REC remains bundled with the electricity and goes to the benefit creditor. However, the customer that receives the financial benefit of their federal allocation under a benefit crediting agreement will also receive the Yearly Report.
8. Customers with Resource Integration: Customers that have integrated their resources with other customers as part of a resource management group will still receive a Yearly Report based on their contractual allocation.
9. Potential Transfers and Other Uses of RECs: In circumstances where a customer desires a special consideration for the use/transfer of their REC, and this special consideration is not perceived as violating the intent of the CRSP REC Program, herein, the customer may submit a written request (email is sufficient) to the CRSP Vice President of Power Marketing. If the request is approved, that approval applies only to that specific requesting customer and that specific request. Special considerations also may pertain to timing of annual REC transfers from CRSP WREGIS Account to the Customers' WREGIS Account. CRSP determinations will be final, and CRSP will maintain the confidentiality of any such determinations to the extent allowable by law.
10. Coordination with BOR, Corps, and IBWC: As the Marketing agent CRSP will coordinate, when appropriate, with the Bureau of Reclamation (BOR), the Corps of Engineers (Corps), and the International Boundary and Water Commission (IBWC) in a spirit of partnership.
11. No REC Attribute Representation: Notwithstanding the Environmental Attribute description in Section 13 to the Post-2024 SLCA/IP FES contract, CRSP will make no

representation as to whether RECs qualify for or meet any City, County, State, or Federal Renewable Portfolio Standard (RPS) requirement, including voluntary greenhouse gas, carbon-free electricity, or voluntary goals, as described in publicly available documents. RECs are considered "as is." It is each customer's responsibility to verify whether RECs qualify for any intended RPS, carbon offset, or greenhouse gas reporting use.

12. ERCOT Notice: The Electric Reliability Council of Texas, Inc. (ERCOT) manages the Texas REC Trading Program. Federal hydropower generation marketed by CRSP within the jurisdiction of ERCOT is not registered with ERCOT's Texas REC Trading Program, and therefore, RECs are not available at this time to customers. However, upon customer request, CRSP will issue an annual attestation stating the amount of hydropower resources delivered to the customer within the jurisdiction of ERCOT.
13. Guides For the Use of Environmental Marketing Claims: Under the CRSP REC Program, customers have some flexibility to use or transfer their RECs in a number of ways. It is each customers' responsibility to be familiar with the Federal Trade Commission's "Guides For The Use of Environmental Marketing Claims" ([16 CFR § 260](#)) to ensure they are within the bounds of these rules when making environmental claims. CRSP will not be responsible for ensuring customers follow appropriate environmental marketing practices.

Rodney Bailey
Senior Vice President and CRSP Manager

Date:

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