

Resolution to Support the Incorporation of Regional Energy Generation Tracking Systems in ISO/RTO Responsibilities and in FERC's Standard Market Design

WHEREAS, The attributes of electricity generation include the fuel or energy resource used to generate the electricity, the air emissions unique to each generating plant, the location of each generation plant, the vintage of each generation plant, and other potential characteristics that matter either for public policy implementation or for consumer markets; and

WHEREAS, The attributes of electricity generation may have economic value above and beyond the value of the commodity electricity, as demonstrated by consumer preferences for "green power," for example; and

WHEREAS, The attributes of electricity may be separated from the underlying commodity electricity and sold separately from the commodity, in the form of variously called renewable energy certificates, credits or "green tags;" and

WHEREAS, The attributes of electricity are in fact being sold to consumers, separately from electricity and sometimes rebundled with electricity, and to retail electricity providers to satisfy renewable portfolio standards; and

WHEREAS, Tracking the sale or allocation of generation attributes is important to verify compliance with various public policies such as consumer information disclosure in many states, renewable portfolio standards in several states, and emission reductions for NO_x and SO_x air quality regulatory programs; and

WHEREAS, Tracking the sale of generation attributes is critical to verification of green power marketing claims and renewable energy certificates, for consumer protection; and

WHEREAS, The verification of compliance with public policies and the documentation of marketing claims, may be cost-effectively accomplished by establishing regional databases, based on electricity generated, to track the attributes created by electricity generation; and

WHEREAS, NEPOOL and the New England ISO have established a Generation Information System that embodies much of the capability desired in a generation attributes tracking system, including the capability to track the attributes of all electricity generation, not just renewable energy; and

WHEREAS, The Electric Reliability Council of Texas has developed an attribute tracking system to verify compliance with the Texas Renewable Portfolio Standard; and

WHEREAS, The western governors have recommended the development of a renewable energy generation registry for the western interconnection, and have directed the Western Governors' Association to convene a regional meeting of stakeholders to define an institutional structure, design operating guidelines, and identify information needed to establish a market for trading of renewable energy certificates in the western interconnected system; and

WHEREAS, The electricity generation attributes are important for all generation, not just renewable energy (for example, for information disclosure or electricity labels), and attribute

tracking systems should be comprehensive; now, therefore, be it

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its July 2002 Summer Meeting in Portland, Oregon, that the NARUC encourages each RTO/ISO or larger geographic region to assume the responsibility of developing tracking databases for all electricity generation, and for issuing, recording transfers, and redeeming or retiring attributes within the tracking database; and be it further

RESOLVED, That the NARUC encourage FERC to include a requirement for each Regional Transmission Organization to develop and maintain a regional tracking database for the attributes of all electricity generation, in a consistent manner, as part of its Standard Market Design.

Sponsored by the Committee on Energy Resources and the Environment

Adopted by the NARUC Board of Directors July 31, 2002