

## Chapter PSC 118

### RENEWABLE RESOURCE CREDIT TRADING PROGRAM

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**Note:** Chapter PSC 118 was created as an emergency rule effective April 7, 2001.

**PSC 118.01 Scope.** This chapter applies to each electric provider that creates an RRC or uses an RRC to meet the requirements of s. 196.378 (2) (a), Stats.

**History:** CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-00.

**PSC 118.02 Definitions.** The definitions specified in s. 196.378, Stats., apply to this chapter. In addition, in this chapter:

(1) "Certified renewable facility" means an electric generating facility that the commission certifies has met the definition of a renewable facility.

(2) "Compliance period" means a calendar year, beginning January 1, during which an electric provider is required to deliver renewable energy under s. 196.378 (2) (a), Stats.

(3) "Commission" means the public service commission.

(4) "Designated representative" means the person authorized by the electric provider to register a renewable facility with the program administrator, or to purchase or sell RRCs.

(5) "Exempt electric provider" means an electric provider that has met the exemption requirements of s. 196.378(2)(e), Stats.

(6) "MWh" means megawatt-hour.

(7) "Program administrator" means the person responsible for carrying out the administrative responsibilities related to the renewable resource credit trading program.

(8) "RRC" means a renewable resource credit.

(9) "Renewable energy" means energy that is supplied by a renewable facility.

(10) "Renewable resource credit" means one MWh of renewable energy from a certified renewable facility that is physically metered and meets the requirements of ss. PSC 118.03 and 118.04.

(11) "Retail customer" means a customer of an electric provider that resides in Wisconsin and purchases electricity at retail.

(12) "RRC account" means the account that the program administrator maintains in order to track the creation, sale, transfer, purchase, and retirement of an RRC by a program participant.

(13) "RRC trading program" means the process of creating, selling, transferring, purchasing, and retiring RRCs.

**History:** CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-01.

**PSC 118.03 Facilities eligible for creating renewable resource credits.** (1) An electric provider may create an RRC only if the renewable facility that is the source of the electric provider's renewable energy meets all of the following requirements:

(a) The energy output of the renewable facility is physically metered and the accuracy of the metering is subject to verification by the program administrator.

(b) The renewable facility registers with, and is certified by, the commission under s. PSC 118.05.

(c) 1. The renewable facility is owned or operated by the electric provider, which sells the renewable energy to its retail customers or members; or

2. The renewable facility supplies or allocates its energy under an executed wholesale purchase contract to the electric pro-

vider, which sells the renewable energy to its retail customers or members.

(2) Any portion of a renewable facility serving an exempt electric provider in any compliance period, is not eligible to create RRCs during that compliance period.

(3) (a) An electric provider may use the excludable renewable energy of a renewable facility that complies with sub. (1) to create an RRC, except that any excludable renewable energy exceeding 0.6% of the electric provider's retail electric sales is not eligible to create an RRC.

(b) A biomass co-fired facility may only use the renewable portion of its energy production, based on the relative energy content of the fuels, to create RRCs in the applicable reporting period.

**History:** CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-01.

**PSC 118.04 Creation and transfer of renewable resource credits.** (1) The program administrator shall administer a trading program for RRCs.

(2) (a) Beginning on January 1, 2001, an RRC is created only when an electric provider exceeds its minimum percentage requirement under s. 196.378 (2) (a), Stats. If an electric provider selling electric energy at wholesale has an obligation to meet the electricity needs of the wholesale customer's firm native load, until the electric provider has a wholesale purchase tariff approved by FERC after the effective date of these rules, the percent of the electric provider's energy that is produced by a certified renewable facility shall be allocated to the wholesale customer and is not eligible to meet the electric provider's minimum percentage requirement.

(b) An electric provider may meet all or part of its minimum percentage requirement by purchasing RRCs. An electric provider may use renewable energy purchased at wholesale to create RRCs in the same manner as renewable energy that the electric provider generates itself. Energy metered for the purpose of creating an RRC may not be used to meet an electric provider's minimum percentage requirement under s. 196.378 (2) (a), Stats., other than through the retirement of its associated RRC.

(c) By February 15 of each year, every electric provider that participates in the RRC trading program by creating an RRC shall report to the program administrator the amount of renewable energy it generated or purchased, and sold at retail, from each certified renewable facility during the preceding year.

(d) Within 10 days after receiving a report from an electric provider under par. (c), the program administrator shall record the amount of metered MWh sold at retail that is reported for each certified renewable facility. The program administrator shall, after an electric provider has met its annual minimum percentage requirement, credit the electric provider's RRC account with the number of RRCs created.

(e) Renewable energy that would meet the definition of an RRC under s. PSC 118.02(10), except that it consists of less than one MWh, shall constitute a fraction of an RRC. A fractional RRC may not be smaller than 0.01 MWh.

(f) Two or more electric providers may jointly purchase or sell an RRC.

(3) When an RRC is credited to an electric provider's account under sub. (2), the account owner may sell or transfer the RRC to

another electric provider. Any person selling or transferring an RRC shall report the sale or transfer to the program administrator within 10 days of the transaction. The program administrator shall then credit the RRC account of the new owner and debit the RRC account of the prior owner. An RRC may continue to be sold or traded only if each seller or transferor reports the transaction to the program administrator within 10 days of its consummation.

(4) When an electric provider uses an RRC to comply with the minimum percentage requirements of s. 196.378 (2) (a), Stats., the program administrator shall retire the RRC.

(5) Subject to commission approval, the program administrator may establish any procedure necessary to ensure that the creation, sale, transfer, purchase and retirement of RRCs are accurately recorded.

**History:** CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-01.

**PSC 118.05 Certification of renewable facilities.**

(1) (a) An electric provider may only use the energy of a certified renewable facility for creation of an RRC.

(b) The program administrator may not award an RRC before the date that the commission certifies a renewable facility, but the program administrator may award an RRC for energy that a certified renewable facility produced subsequent to the date the commission received the request for certification.

(2) To obtain commission certification, the electric provider generating or purchasing energy from a renewable facility, or a designated representative, shall provide the following registration information in a format approved by the commission:

(a) The renewable facility's location, owner, technology, date placed in service, and rated capacity.

(b) Information that demonstrates the renewable facility meets the resource eligibility criteria under s. PSC 118.03.

(c) Any other information the commission determines to be necessary.

(3) The commission shall inform both the program administrator and the electric provider, or its designated representative, whether it has certified a renewable facility for which it has received an application under sub. (2).

(4) The program administrator shall create an RRC account for each owner of an RRC.

(5) The commission may make on-site visits to any certified unit of a renewable facility to determine its compliance with this chapter and with s. 196.378, Stats., and may decertify any unit that it finds not to be in compliance.

(6) The program administrator may not create RRCs for energy produced by a decertified renewable facility.

**History:** CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-01.

**PSC 118.06 Renewable resource credit program administrator.** (1) The commission shall, using a competitive process, contract with a program administrator.

(2) The program administrator shall:

(a) Identify annually the amount of renewable energy each participating electric provider must sell to its retail customers to comply with the minimum percentage requirements of s. 196.378 (2) (a) and (b), Stats.

(b) Create an RRC account to track RRCs for each participating electric provider and other owner of RRCs.

(c) Credit RRCs to RRC accounts under s. PSC 118.04 (2).

(d) Retire RRCs under s. PSC 118.04 (4).

(e) Maintain program information on an internet website for traders and the public in general.

(f) Audit certified renewable facilities, when necessary, to verify the accuracy of metered production data.

(g) Perform any other function designated by the commission.

(3) The program administrator may create an exchange procedure for purchasing and selling RRCs.

(4) (a) Annually, the program administrator shall report to the commission the costs incurred in operating the RRC trading program and recommend an assessment of these costs to electric providers that hold RRC accounts. The program administrator shall base part of this proposed assessment of costs on the number of each electric provider's RRC transactions, the size of these transactions, or both. These factors shall determine how a majority of the costs are assessed.

(b) The commission shall review the cost allocation that the program administrator proposes under par. (a) and approve or modify this allocation. The commission shall assess these costs to each electric provider, pursuant to s. 196.85 (1) and (1m) (a), Stats.

**History:** CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-01.