

4.15.000-P Green Tag Policy

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	March 3, 2004	Approved (R256)	February 2005
Board Decision	February 16, 2006	Amended (R313)	
Board Decision	April 6, 2005	Rescind R313	February 2008
Board Decision	March 28, 2007	Amended R433	February 2010

Resolution 433

BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors adopts the following principles and policies regarding the ownership of green tags:

Principles

The following principles should guide Energy Trust's ownership of green tags generated by renewable resources:

- **Green tags generated by renewable energy are one of the multiple values for Oregonians provided through investing in renewable resources.**
- **Green tags are for the long-term benefit of customers of Pacific Power and Portland General Electric.**
- **The disposition (retention, transfer or sale) of green tags will coordinate with and further the goals of Energy Trust, state policies and regulatory requirements.**
- **The minimum ownership of green tags should reflect the market value of the tags and the relative above-market support provided by Energy Trust.**

Policies

I. Ownership

- **Energy Trust's minimum share of a project's green tags will be determined as follows:**
 - **Energy Trust will ascertain market values and forward price curves for relevant types of green tags, and update them periodically. Energy Trust will consult with PGE, Pacific Power and the OPUC staff before publicly announcing referent prices. Energy Trust will announce such prices unless it creates competitive concerns.**
 - **If Energy Trust's above-market incentive exceeds the referent green tag market value, Energy Trust will take title to all green tags.**

- **If Energy Trust's above-market incentive is less than the referent value, Energy Trust will negotiate for enough tags to fairly recognize that Energy Trust provides an assured revenue stream that reduces the project's market risk.**
 - **In no case will Energy Trust accept fewer tags than Energy Trust incentive could buy on the referent green tag market.**
 - **Energy Trust will negotiate either a reduction in Energy Trust incentive or retain additional green tags if the above steps would accord the project owner/developer a higher-than-reasonable rate of return.**
- **Energy Trust's ownership of the tags should be flexible over time, while reinforcing incentives for long-term project performance.**
 - **A developer or project owner could propose to retain tags to market them in the near-term, provided this lowers Energy Trust's funding.**
 - **Up-front retention of tags by a developer or project owner must include contractual assurances that future green tags will revert to Energy Trust.**
- 2. Sales of Energy Trust green tags**
- **Green tags owned by Energy Trust could be sold for up to three years; the tags would be retained long-term for the benefit of Pacific Power and PGE customers.**
 - **Energy Trust would sell green tags it retains on a limited basis to avoid significant disturbance to the market for green tags. *Initially*, not more than 50 percent of Energy Trust tags would be sold in a single year.**
 - **Energy Trust will monitor the effect of its green tag sales on the green tag market and adjust sales as necessary.**
 - **First options for sale would be to serve the green power choices authorized for Pacific Power and PGE or to organizations that will use the re-sale of the tags to invest in new renewables in those service territories.**
 - **The sale of tags would not be limited to Oregon, if no near-term opportunities exist in Oregon.**
- 3. Reinvestment**
- **Revenue from the sale of Energy Trust green tags would be used to increase the development of additional renewable resources within three years of their sale.**
 - **All proceeds would be reinvested in renewable resource projects that benefit Pacific Power and PGE customers.**
 - **Sales of tags from projects supported by funding from PacifiCorp would be reinvested in projects to benefit PacifiCorp customers. Sales of tags from projects supported by funding from PGE would be reinvested in projects to benefit PGE customers.**

Adopted on March 28, 2007, by Energy Trust Board of Directors.