

RENEWABLE ENERGY STANDARD

[ONLY CHANGED PORTIONS OF THE RULES SHOWN]

3661. Retail Rate Impact

- (a) The net rate impact of actions taken by a QRU to comply with the Renewable Energy Standard shall not exceed one percent of the total electric bill annually for each customer of that QRU.
- (b) The net rate impact shall include the prudently incurred direct and indirect costs of all actions by a QRU to meet the Renewable Energy Standard, including, but not limited to, program administration, rebates and performance-based incentives, payments under Renewable Energy Supply Contracts, payments under Renewable Energy Credit Contracts, payments made for RECs purchased through brokers or exchanges, computer modeling and analysis time, and QRU investment in and return on investment for Eligible Renewable Energy Resources.
- (c) The administrative costs of a QRU to implement these rules is capped at ten percent per year of the total annual collection. A QRU may include in its Compliance Plan a waiver request of this rule during the initial ramp-up stage of the QRU's program.
- (d) For purposes of calculating the retail rate impact, the QRU shall use the same methodologies and assumptions it used in its most recently approved Least-Cost Planning case, unless otherwise approved by the Commission. Confidential information may be protected in accordance with Rules 1100 through 1102 of the Commission's Rules of Practice and Procedure.
- (e) In its Compliance Plan filed under Rule 3657, the QRU shall estimate the retail rate impact of its plan to comply with the Renewable Energy Standard over the upcoming Compliance Year and shall submit a report detailing the development of the retail rate impact estimate. The Compliance Plan shall identify the funds that need to be made available to the QRU to comply with the Renewable Energy Standard and the Retail Rate Impact rule. By approving the QRU's Compliance Plan, the Commission will be approving the QRU's budget for acquiring Eligible Renewable Energy over the Compliance Year. Once approved by the Commission, the QRU shall implement its Compliance Plan. Actions taken by a QRU in compliance with the filed and approved Compliance Plan shall be deemed prudent.
- (f) The basic method for performing the estimate of the retail rate impact limit is as follows:
 - (I) The QRU shall determine all commercially available resources to the QRU, either through ownership or by contract, at the time of the beginning of the Compliance Year and for a minimum of the ten years thereafter (the "RES Planning Period"). The projected costs of these available resources shall be reflected in both of the scenarios analyzed by the QRU's computer planning models under this paragraph. The QRU shall determine the QRU's capacity and energy requirements over the RES Planning Period. The QRU shall develop two scenarios to estimate the resource composition of the QRU's future electric system and the cost of that system over the RES Planning Period. The first scenario, a Renewable Energy Standard Plan or "RES Plan" should reflect the QRU's plans and actions to acquire new Eligible Renewable Energy necessary to meet the Renewable Energy Standard reflecting a gradual ramp-up to the 10% level. The second scenario,

a “No RES Plan” should reflect the QRU’s resource plan that meets the QRU’s capacity and energy requirements over the RES Planning Period by replacing the new Eligible Renewable Energy Resources in the RES Plan with new nonrenewable resources reasonably available. For purposes of this rule, new Eligible Renewable Energy means Eligible Renewable Energy from resources which are not commercially operational at the time these two modeling scenarios are performed.

- (II) The QRU shall use the comparison of the two model runs of the RES Planning Period along with any additional analysis needed to calculate the estimated annual net retail rate impact for the first Compliance Year of the RES Planning Period. The maximum retail rate impact shall not exceed one percent of the total retail bill annually for each customer. To the extent the RES Plan exceeds this maximum retail rate impact, the QRU shall modify the RES Plan to limit the acquisition of Eligible Renewable Energy so that the QRU Compliance Plan does not exceed the maximum retail rate impact for the first Compliance Year of the RES Planning Period. In calculating the annual net retail rate impact in each Compliance Plan for the first Compliance Year of the RES Planning Period, the QRU shall take into account the on-going annual costs of all Eligible Renewable Energy that the QRU has contracted to acquire under the Standard Rebate Offer under Rule 3658 and all Eligible Renewable Energy from resources that were ~~constructed by the QRU or contracted for by the QRU after the effective date of these Rules, not commercially operational to the QRU at the time of performance of the two modeling scenarios by the QRU under Rule 3661(f)(I).~~

- g) Any QRU with annual retail sales of less than five million megawatt-hours can use an alternate method to determine the estimate of the retail rate impact. The alternative method can be used for those RES Planning Period years when the only remaining portion of the Renewable Energy Standard with which the QRU needs to comply is the Eligible Renewable Energy that must be acquired from Solar Electric Generating Technologies.

- (I) The retail rate impact will be determined by using the estimated costs of the proposed Solar Electric Generating Technologies less the estimated annual average costs of energy of existing resources that would be replaced with energy generated by the proposed Solar Electric Generating Technologies. The QRU shall also incorporate into this retail rate impact analysis other cost savings created by the deployment of the Solar Electric Generating Technologies and any other cost savings from the deployment of other non-solar renewable energy resources used to meet the Standard. These cost savings include, but are not limited to, the avoided or deferred costs of generation, transmission and distribution facilities.
- (II) The QRU will then convert this net cost figure into a percent of total electric bill annually for each customer. In no event shall the percent of total electric bill annually exceed one percent for each customer. To the extent that the net cost figure results in the QRU exceeding the one percent for each customer threshold, the QRU shall modify its acquisition of Solar Electric Generating Technologies in order to not exceed the maximum retail rate impact.

3662. Annual Compliance Report

- (a) Beginning in 2007, the QRU shall file an Annual Compliance Report on June 1 to report on the status of the QRU's compliance with the Renewable Energy Standard for the most recently completed Compliance Year. The Annual Compliance Report shall provide the following information for the most recently completed Compliance Year:
- (I) The total megawatt-hours sold by the QRU to its retail customers in Colorado and the associated Eligible Renewable Energy required for compliance with each component of the Renewable Energy Standard;
 - (II) The total amount and source of Eligible Renewable Energy acquired by the QRU during the Compliance Year for each component of the Renewable Energy Standard. The QRU shall separately identify amounts of Eligible Renewable Energy by each type of resource;
 - (III) The total amount of Eligible Renewable Energy borrowed forward, pursuant to Rule 3654(f), in previous Compliance Years that was made up during the Compliance Year to achieve compliance with each component of the Renewable Energy Standard;
 - (IV) The total amount of Eligible Renewable Energy borrowed forward, pursuant to Rule 3654(f), from future Compliance Years to achieve compliance with each component of the Renewable Energy Standard in the Compliance Year;
 - (V) The total amount and source of Eligible Renewable Energy the QRU is carrying back from the year following the Compliance Year under Rule 3654(d)(I) to achieve compliance with each component of the Renewable Energy Standard in the Compliance Year;
 - (VI) The total amount of Eligible Renewable Energy the QRU has carried forward from prior calendar years under Rule 3654(d)(III) to apply in the Compliance Year for each component of the Renewable Energy Standard.
 - (VI) The total amount of Eligible Renewable Energy the QRU has acquired in the Compliance Year that the QRU proposes to carry forward under Rule 3654(d)(III) to future years for each component of the Renewable Energy Standard;
 - (VIII) The total amount of Eligible Renewable Energy the QRU has counted toward compliance with each component of the Renewable Energy Standard in the Compliance Year. The QRU shall separately identify amounts of Eligible Renewable Energy by each type of resource;
 - (IX) The total amount of Renewable Energy or RECs acquired by the QRU during the Compliance Year pursuant to the Standard Rebate Offer Program;
 - (X) Whether the QRU has invested in any Eligible Renewable Energy Resource and whether that resource is under construction or in operation; and

- (XI) The funds expended and the retail rate impact of the Eligible Renewable Energy acquired. The Retail Rate Impact cap shall be recalculated based on the actual Compliance Year values if the QRU developed the Retail Rate Impact cap pursuant to Rule 3661(f). To the extent the recalculation of the Retail Rate Impact cap demonstrates that additional funds are available based on actual Compliance Year values, the QRU shall use those additional funds to acquire RECs, to the extent necessary, to achieve the compliance levels set forth in Rules 3654(a) and (b) or until the additional funds have been spent if the QRU intends to claim that the Retail Rate Impact cap prevented it from achieving compliance with the Standard.
- (b) In the Annual Compliance Report, the QRU must explain whether it achieved compliance with each component of the Renewable Energy Standard during the most recently completed Compliance Year, or explain why the QRU had difficulty meeting the Renewable Energy Standard.
- (c) If, in its Annual Compliance Report, the QRU did not comply with its Renewable Energy Standard for each of the RES components as a direct result of absolute limitations within a requirements contract from a wholesale electric supplier, then the QRU must explain whether it acquired a sufficient amount of either eligible RECs or documented and verified energy savings through energy efficiency and/or conservation programs, or both to rectify the noncompliance so as to excuse the QRU from any administrative fine or other administrative action.
- (d) On the same date that the QRU files its Annual Compliance Report, the QRU shall post an electronic copy of its Annual Compliance Report excluding confidential material on its website to facilitate public access and review.
- (e) On the same date that the QRU files its Annual Compliance Report, it shall provide the Commission with an electronic copy of its Annual Compliance Report excluding confidential material. The Commission may place the non-confidential portion of each QRU's Annual Compliance Report on the Commission's website in order to facilitate public review.