

Mr. James Campbell  
Utah DEQ, Division of Air Quality  
150 North 1950 West  
P.O. Box 144820  
Salt Lake City, UT 84114-4820

By e-mail to [jacampbell@utah.gov](mailto:jacampbell@utah.gov)

Dear Mr. Campbell:

Thank you for coordinating comments on the Utah Renewable Energy Initiative.

The Interwest Energy Alliance is a trade association that brings the nation's clean energy industry together with the West's advocacy community for consensus-based, collaborative approaches to building new markets and facilitating new transmission development throughout the West.

**TARGET AND COMPLIANCE (sections a and c on the strawman outline)**

- Should be clear that the final targets are for 2020 and beyond. Compliance should not stop after 2020
  - Same point on the interim milestones – once a milestone kicks in, it is a floor
- We have some concern about the “2 percent two year window” for the 2010 and 2015 milestones: why can't the utility come into compliance through REC purchases or alternative compliance payments?

**DEFINITION OF RENEWABLE (section b)**

*Defining hydroelectricity:*

- This is significant due to the contribution made by hydro resources to PacifiCorp (northwest resources are still allocated in part to Rocky Mountain Power customers) and the munis etc. that get power from WAPA.
- Perhaps the eligibility definition in the national RPS passed by the US House of Representatives this summer is a model: it only counts incremental additions of generation from efficiency upgrades or capacity additions made after 1/1/2001 or after the effective date of a state RPS for projects in existence before the effective date.
- We might want to think about an overall cap on hydro that may qualify, especially from existing facilities, because it is not clear how much may be gained from efficiency upgrades or capacity additions in the future.

*Defining biomass:*

- The strawman definition is fairly inclusive. Again, it may be appropriate to look at the national RPS definition in the House-passed bill that specifies what is permitted from national forests, etc. as well as other material (“nonhazardous” should be included to disqualify treated wood products)

**RECs (section d)**

- Vintage limits should be established on RECs to permit but limit banking. Perhaps we should permit RECs to count from the year they are generated plus two years thereafter. It is not clear at this point that the 20 percent cap

on use of unbundled RECs for compliance (50 percent for the munis and coops) in the strawman would have a similar effect.

**EXISTING FACILITIES (section f)**

- If the purpose of this provision is to set a date back in time for what would qualify as RPS generation, the 1/1/1995 date is a long time to look back. Do you have a calculation on how much generation these dates represent? Perhaps this long-ago generation should not be given RECs that could be banked and then used to meet future compliance.

**RENEWABLE ENERGY CERTIFICATE TRADING (section g)**

- What is meant by "RECs may only be used once and only by the owner of the REC." If "used" means "retired," then that's right – the law should guard against double-counting. However, this section should not limit the kind of participants in REC markets nor should it limit the ability of REC generators, REC buyers, and other market participants to have a REC pass through several hands before it is retired.

**ALTERNATIVE COMPLIANCE PAYMENTS (section j)**

- The ability to make alternative compliance payments would seem to render unnecessary the "two year window" flexibility for the intermediate milestones.

**MISC (section l)**

- What kind of compliance report is required of an "Independent Generator?" The term "independent generator" does not appear to be defined in Utah Code ("independent energy producer" is, but is limited to small power production – equal to or less than 80 MW capacity – or cogeneration). Compliance reports should be required of the utilities.

Again, thank you for your work on this most important matter. Please let me know if you have questions about our comments. We look forward to working with you, your colleagues and other stakeholder parties throughout Utah to achieve a policy that will provide many benefits to consumers through cost-stable renewable resources, to rural areas that would see new economic opportunities through new project development, and to the air quality through these zero-emission energy technologies.

Best regards.

Sincerely,

Craig Cox  
Executive Director  
Interwest Energy Alliance  
P.O. Box 272  
Conifer, CO 80433  
[cox@interwest.org](mailto:cox@interwest.org)  
[www.interwest.org](http://www.interwest.org)  
303-679-9331

