

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission
Renewable Electricity and Recycled Energy
Tracking
Miscellaneous Case

Case No. PU-07-318

AFFIDAVIT OF SERVICE BY REGULAR MAIL & ELECTRONIC MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Janet Marquart deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **11th day of June, 2008**, she deposited in the United States Mail, Bismarck, North Dakota, **27** envelopes by first class mail, fully prepaid, securely sealed and each containing a photocopy and **32** electronic mail electronically sent a copy of:

Order and Staff Memo

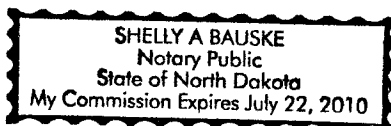
The envelopes and electronic mails respectively were addressed as follows:

See attached list.

Each post office address shown is the respective addressee's last reasonably ascertainable post office address and each email address is the respective addressee's last reasonably ascertainable electronic mailing address.

Subscribed and sworn to before me
this **11th day of June, 2008**.

SEAL



Janet Marquart

Shelly A. Bauske

Notary Public



Public Service Commission

State of North Dakota

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MEMORANDUM

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To: North Dakota electric utilities, electric generators and other interested entities in this state

From: North Dakota Public Service Commission

Re: Renewable Energy Tracking and Public Reporting

Date: June 4, 2008

On June 4, 2008 the Commission approved an order designating the Midwest Renewable Energy Tracking System as program administrator under Chapter 69-09-09 of the North Dakota Administrative Code for the purpose of tracking, recording, and verifying the transactions associated with certificates and credits for electricity generated from renewable electricity sources as defined by Section 49-02-25 of the North Dakota Century Code among electric generators, utilities, and other interested entities within this state and with similar entities in other states.

Commencing June 30, 2009, N.D.C.C. § 49-02-34 requires retail providers to report annually on the provider's previous calendar years energy sales, including information regarding meeting the state renewable and recycled energy objective. This report must be made to the North Dakota Public Service Commission.

Section 49-02-33 of the North Dakota Century Code states that all such information must be independently verified through a third party credit tracking system selected by the Public Service Commission.

Section 69-09-08-02 of the North Dakota Administrative Code includes a definition of a "designated representative." This is the individual authorized by the owner or operator of a renewable energy facility or purchaser of energy produced from a renewable resource to register that resource with the program administrator. N.D.A.C. § 69-09-08-07(1) states:

...the designated representative shall register with the program administrator each renewable energy generation unit. At a minimum, the registration must include the location, owner, technology, rated capacity of the facility, and evidence that the facility meets the resource eligibility criteria in North Dakota Century Code Section 49-02-25.

Legislative History

In 2005 the North Dakota Legislature (Legislature) enacted N.D.C.C. § 49-02-24, **Renewable electricity and recycled energy credit trading and tracking system**, which allowed the Commission by rule to establish or participate in a program to track, record, and verify the trading of credits for electricity generated renewable and recycled heat sources among electric generator, utilities, and other interested entities within this state and with similar entities in other states. This section applies to all public utilities, electric cooperatives, and municipal electric utilities.

In 2005 the Legislature also enacted N.D.C.C. § 49-02-25 which defined renewable electricity and recycled energy. In 2007 the Legislature amended this section of law.

In 2007 the Legislature enacted N.D.C.C. § 49-02-28 **State renewable and recycled energy objective**. It also enacted N.D.C.C. Sections 49-02-29, 49-02-30, 49-02-31, and 49-02-32 which relate to application, purchase and use of renewable energy and recycled energy.

In 2007 the Legislature enacted N.D.C.C. § 49-02-33

Verification of generation and of purchase of renewable energy and recycled energy certificates. *Electricity generation applied to the renewable energy and recycled energy objective, as well as certificate purchases and certificate retirements, must be independently verified through a third-party credit tracking system selected by the public service commission.* (emphasis added.)

That same year the Legislature enacted N.D.C.C. Section 49-02-34

Public reporting on progress toward meeting the renewable energy and recycled energy objective. *Commencing on July 30, 2009, retail providers shall report annually on the provider's previous calendar year's energy sales. This report must include information regarding qualifying electricity delivered and renewable energy and recycled energy certificates purchased and retired as a percentage of annual retail sales and a brief narrative report that describes steps taken to meet the objective over time and identifies any challenges or barriers encountered in meeting the objective. The last annual report must be made on June 30, 2016. Retail providers shall report to the public service commission, which shall make data and narrative reports publicly available and accessible electronically on the internet. Distribution cooperatives may aggregate their reporting through generation and transmission cooperatives and municipal utilities may aggregate their reporting through a municipal power agency.* (emphasis added.)

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

**Renewable Electricity and Recycled Energy Tracking
Miscellaneous**

Case No. PU-07-318

ORDER

June 4, 2008

On July 13, 2007, APX, Inc. (APX) filed a letter with the Commission requesting that the Commission designate it as Program Administrator of the Midwest Renewable Energy Tracking System (M-RETS). The Commission is considering who will be designated program administrator under North Dakota Administrative Code Chapter 69-09-08, Renewable Electricity and Recycled Energy Tracking System.

On August 8, 2007, the Commission held an informal hearing on this matter.

On February 27, 2008 the Commission issued a Notice of Opportunity for Hearing. The issue to be considered included whether the Commission should designate M-RETS as program administrator. Comments and requests for hearing were to be received by April 1, 2008. No comments or requests for hearing were received.

M-RETS tracks renewable generation located within the state and provincial boundaries of Iowa, Manitoba, Minnesota, Montana, North Dakota, South Dakota, and Wisconsin. It also tracks Renewable Resource Credits for the State of Wisconsin. The Wisconsin Public Service Commission awarded a 4-year contract for implementation, operation, and administration of the M-RETS program to APX on April 5, 2007.

M-RETS was launched in July 2007 and has begun registering participants and generating facilities, with the cost funded by a participant-based fee structure. Generating units, load serving entities, and marketers may participate in M-RETS. Fees will be charged according to a schedule set by M-RETS. Although participation is voluntary, electricity generation applied to North Dakota's renewable energy and recycled energy objective must be independently verified through a third party credit tracking system selected by the Public Service Commission.

North Dakota Administrative Code Chapter 69-09-08 establishes a program to include tracking, recording, and verifying the transactions associated with certificates and credits for electricity generated from renewable electricity sources as defined by North Dakota Century Code section 49-02-25 among electric generators, utilities, and other interested entities within this state and with similar entities in other states. The

statute and the rule apply to all public utilities, electric cooperatives, and municipal electric utilities.

The program administrator is the independent entity designated by Commission order to carry out the administrative responsibilities related to the renewable energy certificates tracking program. APX originally applied to be designated Program Administrators of the M-RETS. At the present time M-RETS is using APX as its system administrator. The Commission understands that M-RETS may change its system administrator from time to time. The Commission is not choosing APX as program administrator for M-RETS because the Wisconsin Public Service Commission has already awarded a 4-year contract for system administration of the M-RETS program to APX on April 5, 2007.

In this order the Commission is designating M-RETS as the program administrator which is responsible for tracking, recording, and verifying the transactions associated with certificates and credits for electricity generated from renewable electricity sources. M-RETS has policies, practices and protocols in place to accomplish these goals. M-RETS is still working on governance issues. If any intractable governance or functionality issues arise, the Commission will reconsider this decision.

Order

The Commission orders:


1. M-RETS, presently using APX as system administrator, is the designated program administrator under North Dakota Administrative Code Chapter 69-09-08 for the purpose of tracking, recording, and verifying the transactions associated with certificates and credits for electricity generated from renewable electricity sources as defined by North Dakota Century Code Section 49-02-25 among electric generators, utilities, and other interested entities within this state and with similar entities in other states.
2. M-RETS, presently using APX as system administrator, shall comply with the North Dakota Century Code and the North Dakota Administrative Code.
3. M-RETS, presently using APX as system administrator, shall perform the following functions:
 - a. Create accounts that track renewable energy certificates for each participant in the tracking program;
 - b. Award renewable energy certificates to registered renewable energy facilities based on verified meter reads;

- c. Maintain public information on the program administrator's web site that provides tracking program information to interested buyers and sellers of renewable energy certificates;
- d. Facilitate private trading of renewable energy certificates;
- e. Verify the accuracy of metered production data and other information identified in the renewable energy certificate; and
- f. Provide an annual report to the commission. Beginning in the year following commission designation of the program administrator, the program administrator shall submit a report to the commission on or before April fifteenth of each year. At a minimum, the report must contain the amount of registered existing and new generating capacity from a renewable energy facility installed in the state, in megawatts, by technology type, the owner or operator of each facility or the facility's certificates, the date each facility began to produce electricity, and the total number of renewable energy credits certified by the program administrator during each month of the reporting period.

4. M-RETS, presently using APX as system administrator, shall administer a tracking program for the transfer of renewable energy certificates. The transfer of renewable energy certificates between parties is effective only when the transfer is recorded by the program administrator. The program administrator shall require that renewable energy certificates be adequately identified prior to recording a transfer and shall issue a confirmation of the transaction to parties when the transfer is recorded. The program administrator shall establish a procedure to ensure that the award, transfer, and retirement of certificates are accurately recorded.

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