

Decision Options

A) REC ownership

1) Net metering: net energy generation (NEG)

- a. Find that *utilities* own RECs corresponding to all NEG.
- b. Find that *generators* own RECs corresponding to all NEG.
- c. Find that *generators* own RECs corresponding to NEG if the rate of compensation is the standard offer avoided cost rate, and *utilities* own RECs corresponding to NEG if the rate of compensation is the average retail utility energy rate.
- d. Take no action on REC ownership for NEG.

1.5) Net metering: on-site consumption

- a. Find that *utilities* own RECs for energy consumed on-site.
- b. Find that *generators* own RECs for energy consumed on-site.
- c. Take no action on REC ownership for on-site consumption.

2) Non-net metered PURPA transactions

- a. Find that *utilities* own RECs for non-net metered PURPA transactions under the standard offer.
- b. Find that *generators* own RECs for non-net metered PURPA transactions under the standard offer.
- c. Take no action on REC ownership for non-net metered PURPA transactions under the standard offer. (*Staff note:* Decision options A.2. a-c use the term “standard offer” because that is the term used by FERC. In essence, Decision option A.2.b would have the effect of stating that for non-net metered transactions at the avoided cost rate, the generator owns the RECs.)

3) All transactions

- a. Find that *generators* own all RECs unless: 1) a different arrangement is agreed to by the generator and utility in a contract; 2) state law specifies a

different outcome; or 3) specific Commission orders or rules specify a different outcome.

- b. Find that *utilities* own all RECs unless: 1) a different arrangement is agreed to by the generator and utility in a contract; 2) state law specifies a different outcome; or 3) specific Commission orders or rules specify a different outcome.

B) Average retail **utility energy** rate for net metered facilities under 40kW

- 1) Find that the average retail **utility energy** rate for net metered facilities under 40 kW is an avoided cost rate. OR;
- 2) Take some other action.

C) Scope of Ruling

- 1) **Find that the Commission has jurisdiction to decide REC ownership, and** dictate that the findings in section A) or B) apply to:
 - a. Rate-regulated utilities only;
 - b. Utilities subject to Minnesota Statutes §216B.1691, Minnesota's renewable energy statute; (Staff note: this would apply to the 16 utilities subject to the RES.)
 - c. Utilities subject to Minnesota Statutes §216B.164.

D) Further Action

- 1) Require utilities to modify corresponding tariffs to reflect the ruling in A) or B).
- 2) Direct that revision of the uniform statewide contract to incorporate the ruling in A) or B) be considered in the Commission's pending rulemaking docket, Docket E999/R-13-729, or other relevant proceeding.
- 3) Take no further action.
- 4) **Find that the corresponding tariffs and the uniform statewide contract should be interpreted in a manner consistent with this order.**