

May 2012

Program Administrator Advice Letter to WREGIS Regarding Station Service

WREGIS staff has considered adopting a revised definition of station service to ensure equitable and transparent REC creation for the western United States renewable energy marketplace. The program administrators, a stakeholder group representing state and voluntary renewable energy programs that accept WREGIS-issued RECs, submit the following advice to WREGIS staff with regard to a framework and guidance for applying the definition of station service to generation from facilities with station service loads.

Existing WREGIS operating protocols require that generators deduct or net station service from their reported generation.¹ The goal of this advice is to assist WREGIS staff in implementing that requirement in a fair and uniform manner for all of its member generators.

The reason it is important to accurately track station service and ensure that all generators are uniformly deducting or netting generation that is reported for REC creation is to maintain a level playing field and avoid arbitrage of non-renewable energy through a renewable generator to create more RECs.

Defining Station Service

Station service is a commonly understood term. Accepted definitions of station service are broad and do not conflict with one another. For example, Green-E defines parasitic load as “a load that contributes to the process of electricity generation” and requires generators to deduct the load from REC-eligible generation.² . The Bonneville Power Administration recently defined station service as “power a generating plant uses for basic operation, or when a plant requires additional power on startup.”³ The Environmental Protection Agency describes parasitic loads as “in-facility electrical loads” such as “pumps, fans, electric motors, and pollution control equipment” that “reduces the amount of power that can be delivered to the transmission grid for distribution and sale to customers.”⁴

We agree that station service should continue to be defined positively, instead of negatively. An inverted definition (“electricity that would not have been needed but for the presence of the generator”) will lead to confusion and a wider reach than WREGIS intended. Such a definition would be inclusive of site maintenance or supply chain activities, and we do not believe that should be the intent.

¹ There may be exceptions. WREGIS is able to track station service separately for the state of Nevada’s Renewable Portfolio Standard program.

² http://www.green-e.org/docs/energy/Appendix%20D_Green-e%20Energy%20National%20Standard.pdf

³ http://transmission.bpa.gov/ts_business_practices/Content/PDF_files/Individual_BPs/Gen_Imbalance.pdf

⁴ <http://www.epa.gov/nsr/ghgdocs/electricgeneration.pdf>

Specific Activities: Defining station service for stand-alone power plants is usually simple. For example, station service includes lights, electric motors, computers, and instrumentation at the power plant site.

Where fuel must be handled (biomass) and resources must be extracted (geothermal), station service is not as simple. We acknowledge that in the case of biomass, power generation activities are intertwined with industrial processes and by-products (e.g. cogeneration). To avoid unwieldy extension of station service into the handling and extraction process, station service should be circumscribed to represent only the immediate conveyance of fuel or resource to and from the power generation unit. For example, geothermal pumps that bring the working fluid to the power generation unit and conveyors that bring fuel to biomass boilers are station service; material receiving, sorting, processing, testing, and storage are not.

Station Service	Not Station Service
Electrical uses at hydropower powerhouses	Maintenance shops
Lights and motors	Transformer losses
Computers and SCADA controls on-site	Off-site fuel procurement
Pollution control systems	
Solar tracking systems	Mirror or panel washing
Wind turbine feathering systems	
Geothermal pumps used to pump up from the geothermal well, and to re-inject any brine originating from that same well. ⁵	Energy used to process, chip, collect or transport the fuel before it is ready to be consumed at the electrical generation facility.
Mechanical systems bringing ready-to-use fuel from the onsite, or nearby, fuel storage areas to the boiler, heat exchanger, turbine, fuel cell, or specific equipment that is used to directly generate electrical energy or used to convert the energy stored in the fuel to heat or to mechanical energy to generate electricity.	Any use of fuel that need not take place at the same site, on an adjacent site, or on a site in the proximity of the electricity generating facility or substation.

Any station service review must consider activities on-site or in proximity to the generator. We are concerned that generators may attempt to avoid the requirement by redefining facility borders or artificially segmenting the project site with ownership held by different companies. We are also concerned that station service requirements should not encourage the replacement of electric equipment with fossil fuel operated equipment that has a greater environmental impact.

⁵ Oregon Institute of Technology's Geo-Heat Center discusses parasitic loads at geothermal facilities. <http://geoheat.oit.edu/pdf/powergen.pdf>

Recommendations

Notice: It may not be clear to all generators that station service is ineligible under the current WREGIS operating rules. As a result, it is unlikely that all generators are treating the existing rules in the same fashion and some may not be deducting the same station service activities from generation reported to WREGIS for REC creation. We recommend that WREGIS add a box as part of its registration process to underscore the requirement. Many generators are still registering with WREGIS. This is an opportunity to emphasize this requirement upfront so that there is no shift in expectations later on.

Rectification: We recommend that WREGIS issue a notification to all generators of the requirement and indicate a rectification period. We also recommend that WREGIS informally spot check generators on their station service practices.

Education: To improve its understanding of station service, we recommend that WREGIS gather two sets of assumptions for feasibility purposes – rough expected percentages and a list of activities that are currently being used in station service arrangements under standard industry practices. As WREGIS is not requiring station service documentation from its generating units (GUs), these assumptions will be useful if WREGIS spot checks or audits GUs, or if it receives questions from GUs about how to implement the requirement.

Signed on behalf of this stakeholder group,

Your Program Administrator Delegate to the WREGIS committee