

**CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.**

**Subchapter H. ELECTRICAL PLANNING.**

**DIVISION 1. RENEWABLE ENERGY RESOURCES AND USE OF NATURAL GAS.**

**§25.173. Renewable Energy Credit Program.**

- (a) **Purpose.** The purposes of this section are to:
- (1) Establish a solar renewable portfolio standard pursuant to Section 53 of House Bill 1500, enacted by the 88th Texas Legislature, Regular Session, to be phased out by September 1, 2025; and
  - (2) Direct the independent organization certified under PURA §39.151 for the ERCOT region to continue to administer a renewable energy credit (REC) trading program on a voluntary basis.
- (b) **Application.** This section applies to power generation companies as defined in §25.5 of this title (relating to Definitions), and retail entities as defined in subsection (c) of this section.
- (c) **Definitions.**
- (1) **Compliance period** -- A calendar year beginning January 1 and ending December 31 in which renewable energy credits are generated.
  - (2) **Compliance premium** -- A premium awarded by the program administrator in conjunction with a solar renewable energy credit that is generated by a renewable energy source that meets the criteria of subsection (e)(2)(A) of this section. For the purpose of the solar renewable energy portfolio standard requirements, one compliance premium is equal to one solar renewable energy credit.
  - (3) **Designated representative** -- A person authorized by the owners or operators of a renewable resource to register that resource with the program administrator. The designated representative must have the authority to represent and legally bind the owners and operators of the renewable resource in all matters pertaining to the renewable energy credit trading program.
  - (4) **Existing facilities** -- Renewable energy generators placed in service before September 1, 1999.
  - (5) **Generation offset technology** -- Any renewable technology that reduces the demand for electricity at a site where a customer consumes electricity. An example of this technology is solar water heating.
  - (6) **Microgenerator** -- A customer who owns one or more eligible renewable energy generating units with a rated capacity of less than one megawatt (1 MW) operating on the customer's side of the utility meter.
  - (7) **New facilities** -- Solar renewable energy generators placed in service on or after September 1, 1999. A new facility includes the incremental capacity and associated energy from an existing renewable facility achieved through repowering activities undertaken on or after September 1, 1999.
  - (8) **Off-grid generation** -- The generation of renewable energy in an application that is not interconnected to a utility transmission or distribution system.
  - (9) **Opt-out notice** -- Written notice submitted to the commission by a transmission-level voltage customer.
  - (10) **Program administrator** -- The entity responsible for carrying out the administrative responsibilities related to the REC trading program and the solar renewable portfolio standard as set forth in this section. In accordance with PURA §39.9113, the program administrator is the independent organization certified under PURA §39.151 for the ERCOT region.
  - (11) **REC aggregator** -- An entity managing the participation of two or more microgenerators in the REC trading program.
  - (12) **REC offset (offset)** -- A REC offset represents one megawatt-hour (MWh) of renewable energy from an existing facility that is not eligible to earn renewable energy credits or compliance premiums.

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- (13) **Renewable energy credit (REC)** -- A REC represents one MWh of renewable energy that is physically metered and verified in Texas and meets the requirements set forth in subsection (e)(1)(A) of this section.
  - (14) **Renewable energy credit account (REC account)** -- An account maintained by the program administrator for the purpose of tracking the production, sale, transfer, purchase, and retirement of RECs, solar RECs, or compliance premiums by a program participant.
  - (15) **Renewable energy credit trading program (trading program)** -- The process of awarding, trading, tracking, and submitting RECs as a means of meeting the renewable energy requirements set out in subsection (g) of this section.
  - (16) **Renewable energy resource (renewable resource)** -- A resource that produces energy derived from renewable energy technologies.
  - (17) **Renewable energy technology** -- Any technology that exclusively relies on an energy source that is naturally regenerated over a short time and derived directly from the sun, indirectly from the sun, or from moving water or other natural movements and mechanisms of the environment. Renewable energy technologies include those that rely on energy derived directly from the sun, wind, geothermal, hydroelectric, wave, or tidal energy, or on biomass or biomass-based waste products, including landfill gas. A renewable energy technology does not rely on energy resources derived from fossil fuels, waste products from fossil fuels, or waste products from inorganic sources.
  - (18) **Repowered facility** -- An existing facility that has been modernized or upgraded to use renewable energy technology to produce electricity consistent with this rule.
  - (19) **Retail entity** -- Municipally-owned utilities, generation and transmission cooperatives and distribution cooperatives that offer customer choice, retail electric providers (REPs), and investor-owned utilities that have not unbundled under PURA Chapter 39.
  - (20) **Settlement period** -- The period following a compliance period in which the settlement process for that compliance period takes place as set forth in subsection (i) of this subsection.
  - (21) **Small producer** -- A renewable resource that is less than ten megawatts (10 MW) in size.
  - (22) **Solar renewable energy credit (solar REC)** -- A REC representing one MWh of renewable energy that is physically metered and verified in Texas and meets the requirements set forth in subsection (e)(2) of this section.
  - (23) **Solar renewable portfolio standard (solar RPS)** - The amount of solar capacity required in subsection (e)(2) of this section to implement Section 53 of House Bill 1500 enacted by the 88th Texas Legislature, Regular Session.
  - (24) **Transmission-level voltage customer** -- A customer that receives electric service at 60 kilovolts (kV) or higher or that receives electric service directly through a utility-owned substation that is connected to the transmission network at 60 kV or higher.
- (d) **Certification of renewable energy facilities.** The commission will certify all renewable facilities that will produce either REC offsets, RECs, solar RECs, or compliance premiums for sale in the trading program. To be awarded REC offsets, RECs, solar RECs, or compliance premiums, a power generator must complete the certification process described in this subsection. The program administrator must not award REC offsets, RECs, solar RECs, or compliance premiums for energy produced by a power generator before it has been certified by the commission.
- (1) The designated representative of the generating facility must file an application with the commission on a form approved by the commission for each renewable energy generation facility. At a minimum, the application must include the location, owner, technology, and rated capacity of the facility, and must demonstrate that the facility meets the resource eligibility criteria in subsection (e) of this section. Any subsequent changes to the information in the application must be filed with the commission within 30 days of such changes.

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- (2) No later than 30 days after the designated representative files the certification form with the commission, the commission will inform both the program administrator and the designated representative whether the renewable facility has met the certification requirements. At that time, the commission will either certify the renewable facility as eligible to receive REC offsets, RECs, solar RECs, or compliance premiums or describe any insufficiencies to be remedied. If the application is contested, the time for acting is extended for such time as is necessary for commission action.
  - (3) Upon receiving notice of certification of new facilities, the program administrator will create a REC account for the designated representative of the renewable resource.
  - (4) The commission or program administrator may make on-site visits to any certified facility, and the commission will decertify any facility if it is not in compliance with the provisions of this subsection.
  - (5) A decertified renewable generator may not be awarded RECs, solar RECs, or compliance premiums. However, any RECs, solar RECs, REC offsets, or compliance premiums awarded by the program administrator and transferred to a retail entity prior to the decertification remain valid.
  - (6) Participants that were registered and certified to participate in the trading program prior to the effective date of this rule continue to be registered and certified under this subsection and are not required to re-register or be recertified to participate in the trading program.
- (e) **Renewable energy credits, solar renewable energy credits, and compliance premiums.**
- (1) **Renewable energy credits (RECs).**
    - (A) **Facilities eligible for producing RECs in the trading program.** For a renewable facility to be eligible to produce RECs for the trading program it must be either a new facility, a small producer, or a repowered facility as defined in subsection (c) of this section and must also meet the requirements of this subsection.
      - (i) A renewable energy resource must not be ineligible under subparagraph (B) of this paragraph and must be certified under subsection (d) of this section.
      - (ii) For a renewable energy technology that requires fossil fuel, the facility's use of fossil fuel must not exceed 25.0% of the total annual fuel input on a British thermal unit (BTU) or equivalent basis.
      - (iii) For a renewable energy technology that requires the use of fossil fuel that exceeds 2.0% of the total annual fuel input on a BTU or equivalent basis, RECs can only be earned on the renewable portion of the production. A renewable energy resource using a technology described by this clause must comply with the following requirements:
        - (I) A meter must be installed and periodic tests of the heat content of the fuel must be conducted to measure the amount of fossil fuel input on a British thermal unit (BTU) or equivalent basis that is used at the facility;
        - (II) The renewable energy resource must calculate the electricity generated by the unit in MWh, based on the BTUs (or equivalent) produced by the fossil fuel and the efficiency of the renewable energy resource, subtract the MWh generated with fossil fuel input from the total MWh of generation and report the renewable energy generated to the program administrator;
        - (III) The renewable energy resource must report the generation to the program administrator in the measurements, format, and frequency prescribed by the program administrator, which may include a

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description of the methodology for calculating the non-renewable energy produced by the resource; and

- (IV) The renewable energy resource is subject to audit to verify the accuracy of the data submitted to the program administrator and compliance with this section, to be conducted by the program administrator or an independent third party as requested by the program administrator. If the program administrator requires a third party audit, the audit must be performed at the expense of the renewable energy resource.
- (iv) The output of the facility must be readily capable of being physically metered and verified in Texas by the program administrator. Energy from a renewable facility that is delivered into a transmission system where it is commingled with electricity from non-renewable resources before being metered cannot be verified as delivered to Texas customers. A facility is not ineligible if the facility is a generation-offset, off-grid, or on-site distributed renewable facility and it otherwise meets the requirements of this subparagraph.
- (v) For a municipally owned utility operating a gas distribution system, any production or acquisition of landfill gas that is directly supplied to the gas distribution system is eligible to produce RECs based upon the conversion of the thermal energy in BTUs to electric energy in kWh using for the conversion factor the systemwide average heat rate of the gas-fired units of the combined utility's electric system as measured in BTUs per kWh.
- (vi) For industry-standard thermal technologies, the RECs can be earned only on the renewable portion of energy production.
- (B) **Facilities not eligible for producing RECs in the trading program.** A renewable facility is not eligible to produce RECs if it is:
  - (i) A renewable energy capacity addition associated with an emissions reductions project described in Health and Safety Code §382.05193, that is used to satisfy the permit requirements in Health and Safety Code §382.0519; or
  - (ii) An existing facility that is not a small producer as defined in subsection (c) of this section or has not been repowered as permitted under subparagraph (A) of this paragraph.
- (2) **Solar renewable energy credits (solar RECs) for solar RPS.**
  - (A) **Facilities eligible for producing solar RECs and compliance premiums for the solar RPS.** For a renewable facility to be eligible to produce solar RECs and compliance premiums for the solar RPS, it must be either a new facility, a small producer, or a repowered facility as defined in subsection (c) of this section and must also meet the requirements of this paragraph:
    - (i) A renewable energy resource must not be ineligible under subparagraph (B) of this paragraph and must register under subsection (d) of this section.
    - (ii) A facility must only use renewable energy technologies that exclusively rely on an energy source that is naturally regenerated, over a short time and derived directly from the sun.
    - (iii) The output of the facility must be readily capable of being physically metered and verified in Texas by the program administrator. Energy from a solar renewable facility that is delivered into a transmission system where it is commingled with electricity from non-solar renewable resources before

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being metered cannot be verified as delivered to Texas customers. A facility is not ineligible by virtue of the fact that the facility is a generation-offset, off-grid, or on-site distributed solar renewable facility if it otherwise meets the requirements of this subparagraph.

- (iv) For repowered facilities, a facility is eligible to earn solar RECs on all renewable energy produced up to a capacity of 150 MW. A repowered facility with a capacity greater than 150 MW may earn solar RECs for the energy produced in proportion to 150 divided by nameplate capacity.
- (B) **Facilities not eligible for producing solar RECs and compliance premiums for use in the solar RPS.** A renewable facility is not eligible to produce solar RECs and compliance premiums for use in the solar RPS if it is:
  - (i) A renewable energy capacity addition associated with an emissions reductions project described in Health and Safety Code §382.05193, that is used to satisfy the permit requirements in Health and Safety Code §382.0519; or
  - (ii) An existing facility that is not a small producer as defined in subsection (c) of this section or has not been repowered as permitted under this subsection.
- (3) **Compliance premiums.** The program administrator will award compliance premiums to solar REC generators certified by the commission under subsection (d) of this section.
  - (A) For eligible solar technologies as set forth in paragraph (2)(A)(ii) of this subsection, one compliance premium will be created and awarded in conjunction with each solar REC generated January 1, 2008 through December 31, 2024. Compliance premiums will not be created or awarded after December 31, 2024.
  - (B) Except as provided in this paragraph, the award, retirement, trade, and registration of compliance premiums must follow the requirements of paragraph (4) of this subsection and subsections (f) and (i) of this section.
  - (C) A compliance premium may be used by any retail entity toward its solar RPS requirement under subsection (f)(2) of this section.
  - (D) A compliance premium may not be used by any retail entity toward the RPS requirement after the settlement period for 2024 compliance period.
  - (E) The program administrator must increase the statewide RPS requirement calculated under subsection (f)(2)(A) of this section by the number of compliance premiums retired during the previous compliance period.
- (4) **Production, transfer, and expiration of RECs and solar RECs.** The production, transfer, and expiration of RECs and solar RECs must follow the requirements of this paragraph. RECs and solar RECs issued through December 31, 2023, continue to exist and retire consistent with their issuance.
  - (A) The owner of a renewable resource will earn one REC or solar REC when a MWh is metered at that renewable resource. The program administrator will record the energy in metered MWh and credit the REC account of the renewable resource that generated the energy on a quarterly basis. Quarterly production must be rounded to the nearest whole MWh, with fractions of 0.5 MWh or greater rounded up.
  - (B) The transfer of RECs or solar RECs between parties is effective only when the transfer is recorded by the program administrator.
  - (C) The program administrator will require that RECs or solar RECs be adequately identified prior to recording a transfer and must issue an acknowledgement of the transaction to parties upon provision of adequate information. At a minimum, the following information must be provided:
    - (i) identification of the parties;

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- (ii) REC or solar REC serial number, REC or solar REC issue date, and the renewable resource that produced the REC or solar REC;
    - (iii) the number of RECs or solar RECs to be transferred; and
    - (iv) the transaction date.
  - (D) A retail entity must surrender RECs or solar RECs to the program administrator for retirement from the market for a compliance period. The program administrator will document all REC and solar REC retirements annually.
  - (E) On or after each April 1, the program administrator will retire RECs and solar RECs that have not been retired by retail entities and have reached the end of their compliance life.
  - (F) The program administrator may establish a procedure to ensure that the award, transfer, and retirement of RECs and solar RECs are accurately recorded.
  - (G) The issue date of RECs or solar RECs generated by renewable energy resources will coincide with the compliance period in which the credits are created. All RECs and solar RECs will have a compliance life of three compliance periods, after which the program administrator will retire them from the trading program.
  - (H) Each REC or solar REC that is not used in the compliance period in which it was created may be banked and is valid for the next two compliance periods. For purposes of this subparagraph, calendar year 2023 counts as a single compliance period.
- (f) **Solar renewable portfolio standard (solar RPS).**
  - (1) Solar RECs may be generated, transferred, and retired by renewable energy power generators certified under subsection (d) of this section, retail entities, and other market participants as set forth in subsection (e)(4) of this section. Solar RECs generated by renewable energy resources in the calendar year 2025 may be used by any retail entity toward the solar RPS requirement for the compliance period beginning January 1, 2025, or on a voluntary basis in the subsequent years.
    - (A) The program administrator will allocate a solar RPS requirement among all retail entities as a percentage of the retail sales of each retail entity as set forth in paragraph (2) of this subsection. Each retail entity is responsible for retiring sufficient solar RECs as set forth in paragraph (2) of this subsection and subsection (e)(4) of this section for the 2024 and 2025 compliance periods. The requirement to retire solar RECs to comply with this section becomes effective on the date a retail entity begins serving retail electric customers in Texas or, for an electric utility, as specified by law.
    - (B) Solar RECs will be credited on an energy basis as set forth in subsection (e)(4) of this section.
    - (C) A municipally-owned utility or distribution cooperative possessing renewable resources that meet the requirements of subsection (e)(2)(A) of this section may sell solar RECs generated by such a resource to retail entities as set forth in subsection (e)(4) of this section.
    - (D) Except where specifically stated, the provisions of this section apply uniformly to all participants in the trading program.
    - (E) The solar RPS end on September 1, 2025.
  - (2) **Allocation of solar RPS requirement to retail entities.** The program administrator must allocate solar RPS requirements among retail entities. The solar RPS terminates September 1, 2025, but is subject to the settlement period following that termination date. The program administrator must use the following methodology to determine the total annual solar RPS requirement for a given year and the final solar RPS allocation for individual retail entities:

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- (A) The total statewide solar RPS requirement for each applicable compliance period must be calculated in terms of MWh and must be equal to the applicable capacity requirement set forth in this paragraph multiplied by 8,760 hours for the 2024 compliance period and 5,840 hours for the 2025 compliance period, multiplied by the appropriate capacity conversion factor set forth in paragraph (3) of this subsection. The solar renewable energy capacity requirements for the compliance periods beginning January 1, 2024, and January 1, 2025, respectively are:
    - (i) 1,310 MW of resources from New Facilities in the 2024 compliance period; and
    - (ii) 655 MW of resources from New Facilities in the 2025 compliance period.
  - (B) The final solar RPS allocation for an individual retail entity for a compliance period must be calculated as follows:
    - (i) Prior to the preliminary solar RPS allocation, each retail entity's total retail energy sales are reduced to exclude the consumption of customers that opt out in accordance with paragraph (4) of this subsection. Each retail entity's preliminary solar RPS allocation is determined by dividing its total retail energy sales in Texas by the total retail sales in Texas of all retail entities and multiplying that percentage by the total statewide solar RPS requirement for that compliance period.
    - (ii) The adjusted solar RPS allocation for each retail entity that is entitled to an offset is determined by reducing its preliminary solar RPS allocation by the offsets to which it qualifies, as determined under paragraph (5) of this subsection, with the maximum reduction equal to the retail entity's preliminary solar RPS allocation. The total reduction for all retail entities is equal to the total usable offsets for that compliance period.
    - (iii) Each retail entity's final solar RPS allocation for a compliance period must be increased to recapture the total usable offsets calculated under clause (ii) of this subparagraph. The additional solar RPS allocation must be calculated by dividing the retail entity's preliminary RPS allocation by the total preliminary solar RPS allocation of all retail entities. This fraction must be multiplied by the total usable offsets for that compliance period and this amount must be added to the retail entity's adjusted solar RPS allocation to produce the retail entity's final solar RPS allocation for the compliance period.
  - (C) Concurrent with determining final individual solar RPS allocations for the current compliance period in accordance with this subsection, the program administrator must recalculate the final solar RPS allocations for the previous compliance periods, taking into account corrections to retail sales resulting from resettlements. The difference between a retail entity's corrected final solar RPS allocation and its original final solar RPS allocation for the previous compliance periods must be added to or subtracted from the retail entity's final solar RPS allocation for the current compliance period.
- (3) **Calculation of capacity conversion factor.** The capacity conversion factor used by the program administrator to allocate solar RECs to retail entities must be calculated during the first quarter of the 2024 compliance period and will be utilized through the end of the solar RPS. The capacity conversion factor must:
- (A) Be based on actual generator performance data for the previous two years for solar renewable resources in the trading program during that period for which at least 12 months of performance data are available;

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- (B) Represent a weighted average of generator performance; and
  - (C) Use all actual generator performance data that is available for each solar renewable resource, excluding data for testing periods.
- (4) **Opt-out notice.**
- (A) A customer receiving electrical service at transmission-level voltage who submits an opt-out notice to the commission for the applicable compliance period must have its load excluded from the solar RPS calculation. Any opt-out notice submitted under the RPS as it existed prior to the effective date of this section continues to apply to the solar RPS for the compliance period as specified in this subsection.
  - (B) An investor-owned utility that is subject to the solar RPS requirement under this section must not collect costs attributable to the solar RPS from an eligible customer who has submitted an opt-out notice. An investor-owned utility whose rates include the cost of solar RECs must file a tariff to implement this paragraph, not later than 30 days after the effective date of this section.
  - (C) A customer opt-out notice must be filed in the commission-designated project number before the beginning of a compliance period for the notice to be effective for that period. Each opt-out notice must include the name of the individual customer opting out, the customer's ESI IDs, the retail entities serving those ESI IDs, and the term for which the notice is effective, which may not exceed two years. The customer opting out must also provide the information included in the opt-out notice directly to ERCOT and may request that ERCOT protect the customer's ESI ID and consumption as confidential information. A customer may revoke a notice under this paragraph at any time prior to the end of a compliance period by filing a letter in the designated project number and providing notice to ERCOT.
- (5) **Nomination and award of REC offsets.**
- (A) A REP, municipally-owned utility, G&T cooperative, distribution cooperative, or an affiliate of a REP, municipally-owned utility, or distribution cooperative, may apply offsets to meet all or a portion of its solar RPS requirement, as calculated in paragraph (2) of this subsection, only if those offsets were nominated in a filing with the commission by June 1, 2001.
  - (B) The program administrator must award offsets consistent with the commission's actions to verify designations of REC offsets and with this section.
  - (C) REC offsets must be equal to the average annual MWh output of an existing resource for the years 1991-2000 or the entire life of the existing resource, whichever is less.
  - (D) REC offsets qualify for use in a compliance period under paragraph (2) of this subsection only to the extent that:
    - (i) The resource producing the REC offset has continuously since September 1, 1999, been owned by or its output has been committed under contract to a utility, municipally-owned utility, or cooperative (or successor in interest) nominating the resource under subparagraph (A) of this paragraph or, if the resource has been committed under a contract that expired after September 1, 1999, and before January 1, 2002, it was owned by or its output was committed under contract to a utility, municipally-owned utility, or cooperative on January 1, 2002; and
    - (ii) The facility producing the REC offsets is operated and producing energy during the compliance period in a manner consistent with historic practice.
  - (E) If the production of energy from a facility that is eligible for an award of REC offsets ceases for any reason, or if the power purchase agreement with the facility's owner (or successor in interest) that is referred to in subparagraph (D)(i) of this paragraph



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has lapsed or is no longer in effect, the retail entity must no longer be awarded REC offsets related to the facility.

(F) REC offsets must not be traded.

(g) **Renewable energy credits trading program.** The program administrator must maintain a voluntary banking and accreditation system to facilitate a voluntary renewable energy credit trading program. The program administrator must maintain the records, accounts, RECs, and compliance premiums from the trading program as it existed prior to August 31, 2023, and prior to the effective date of this section, as applicable.

(1) RECs may be generated, transferred, and retired by renewable energy power generators certified under subsection (d) of this section, retail entities, and other market participants as set forth in this section. For purposes of this subsection, there is no distinction between RECs and solar RECs.

(A) A power generating company may participate in the trading program and may generate RECs and buy or sell RECs as set forth in subsection (e)(4) of this section.

(B) RECs must be credited on an energy basis as set forth in subsection (e)(4) of this section.

(C) A municipally-owned utility or distribution cooperative possessing renewable resources that meet the requirements of subsection (e)(1)(A) and (e)(2)(A) of this section may sell RECs generated by such a resource to retail entities as set forth in subsection (e)(4) of this section.

(2) The program administrator may assign additional attributes to RECs, such as more precise REC generation timestamps, to allow buyers to distinguish between RECs.

(h) **Responsibilities of the program administrator.** At a minimum, the program administrator must perform the following functions:

(1) Create and maintain accounts that track RECs, solar RECs, and compliance premiums for each participant in the trading program;

(2) Award RECs, solar RECs, or compliance premiums to certified renewable energy facilities on a quarterly basis based on verified meter reads;

(3) Award offsets to retail entities on an annual basis based on a nomination submitted by the retail entity under subsection (f)(5) of this section;

(4) Annually record the retirement of RECs, solar RECs, and compliance premiums that each retail entity submits;

(5) Retire RECs, solar RECs, and compliance premiums at the end of each REC, solar REC, or compliance premium's compliance life;

(6) Maintain public information on its website that provides trading program information to interested buyers and sellers of RECs, solar RECs, or compliance premiums;

(7) Create an exchange procedure where persons may purchase and sell RECs, solar RECs, or compliance premiums. The exchange must ensure the anonymity of persons purchasing or selling RECs, solar RECs, or compliance premiums. The program administrator may delegate this function to an independent third party, subject to commission approval;

(8) Make public each month the total energy sales of retail entities in Texas for the previous month;

(9) Perform audits of generators participating in the trading program to verify accuracy of metered production data;

(10) Allocate the RPS requirement to each retail entity in accordance with subsection (f)(2) of this section; and

(11) Submit an annual report to the commission. The program administrator must submit a report to the commission on or before May 15 of each calendar year. The report must contain

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information pertaining to renewable energy power generators and retail entities. At a minimum, the report must contain:

- (A) the amount of existing and new renewable energy capacity in MW installed in the state by technology type, the owner/operator of each facility, the date each facility began to produce energy, the amount of energy generated in megawatt-hours (MWh) each quarter for all capacity participating in the trading program or that was retired from service; and
  - (B) a listing of all retail entities participating in the trading program, each retail entity's solar RPS requirement, the number of offsets used by each retail entity, the number of solar RECs retired by each retail entity, the number of compliance premiums retired by each retail entity, a listing of all retail entities that were in compliance with the solar RPS requirement, a listing of all retail entities that failed to comply with the solar RPS requirement, and the deficiency of each retail entity that failed to retire sufficient solar RECs or compliance premiums to meet its solar RPS requirement.
- (i) **Settlement process.** The 90 days following the compliance period is the settlement period during which the following actions will occur:
- (1) 30 days after the end of the compliance period, the program administrator will notify each retail entity of its total solar RPS requirement for the previous compliance period as determined under subsection (f)(2) of this section.
  - (2) 90 days after the end of the compliance period, each retail entity must submit solar RECs or compliance premiums to the program administrator from its account equivalent to its solar RPS requirement for the previous compliance period. If the retail entity does not submit sufficient solar RECs or compliance premiums to satisfy its obligation, the retail entity is subject to the penalty provisions in subsection (j) of this section.
  - (3) The program administrator may request the commission to adjust the deadlines set forth in this section if changes to the ERCOT settlement calendar or other factors affect the availability of reliable retail sales data.
- (j) **Penalties and enforcement.** If by April 1 of the year following a compliance period in which the solar RPS was in effect the program administrator determines that a retail entity has not retired sufficient solar RECs or compliance premiums to satisfy its allocation of the solar RPS, the retail entity is subject to an administrative penalty, under PURA §15.023, of \$50 per MWh that is deficient.
- (k) **Microgenerators and REC aggregators.** A REC aggregator may manage the participation of multiple microgenerators in the trading program. The program administrator will assign to the REC aggregator all RECs or solar RECs accrued by the microgenerators who are under a REC management contract with the REC aggregator.
- (1) The microgenerator's units must be installed and connected to the grid in compliance with commission Substantive Rules, applicable interconnection standards adopted under the commission Substantive Rules, and federal rules.
  - (2) Notwithstanding subsection (e)(1)(A)(iii) of this section, a REC aggregator may use any of the following methods for reporting generation to the program administrator, as long as the same method is used for each microgenerator in an aggregation unit, as defined by the REC aggregator. A REC aggregator may have more than one aggregation and may choose any of the methods listed below for each aggregation unit.
    - (A) The REC aggregator may provide the program administrator with production data that is measured and verified by an electronic meter that meets ANSI C12 standards and that will be separate from the aggregator's billing meter for the service address

**CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.**

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and for which the billing data and the renewable energy data are separate and verifiable data. Such actual data must be collected and transmitted within a reasonable time and is subject to verification by the program administrator. REC aggregators using this method will be awarded one REC for every MWh generated.

- (B) The REC aggregator may provide the program administrator with sufficient information for the program administrator to estimate with reasonable accuracy the output of each unit, based on known or observed information that correlates closely with the generation output. REC aggregators using this method will be awarded one REC for every 1.25 MWh generated. After installing the unit, the certified technician must provide the microgenerator, the REC aggregator, and the program administrator the information required by the program administrator under this paragraph.
  - (C) A generating unit may have a meter that transmits actual generation data to the program administrator using applicable protocols and procedures. Such protocols and procedures must require that actual data be collected and transmitted within a reasonable time. REC aggregators using this method will be awarded one REC for every MWh generated.
- (3) REC aggregators must register with the commission and the program administrator and must also register to participate in the trading program.
  - (4) A microgenerator participating in the trading program individually without the assistance of a REC aggregator must comply with the requirements of this subsection.
  - (5) REC aggregators and microgenerators that were registered and certified to participate in the trading program prior to the effective date of this section continue to be registered and certified under this subsection and are not required to re-register or be recertified to participate in the trading program.
- (l) **Effective date.** This section is effective January 1, 2024. The version of this rule that existed prior to January 1, 2024 applies through December 31, 2023, including the settlement of the 2023 compliance period, except that the 2023 compliance period ended on August 31, 2023, and RPS calculation must use 5,832 hours rather than 8,760 hours.