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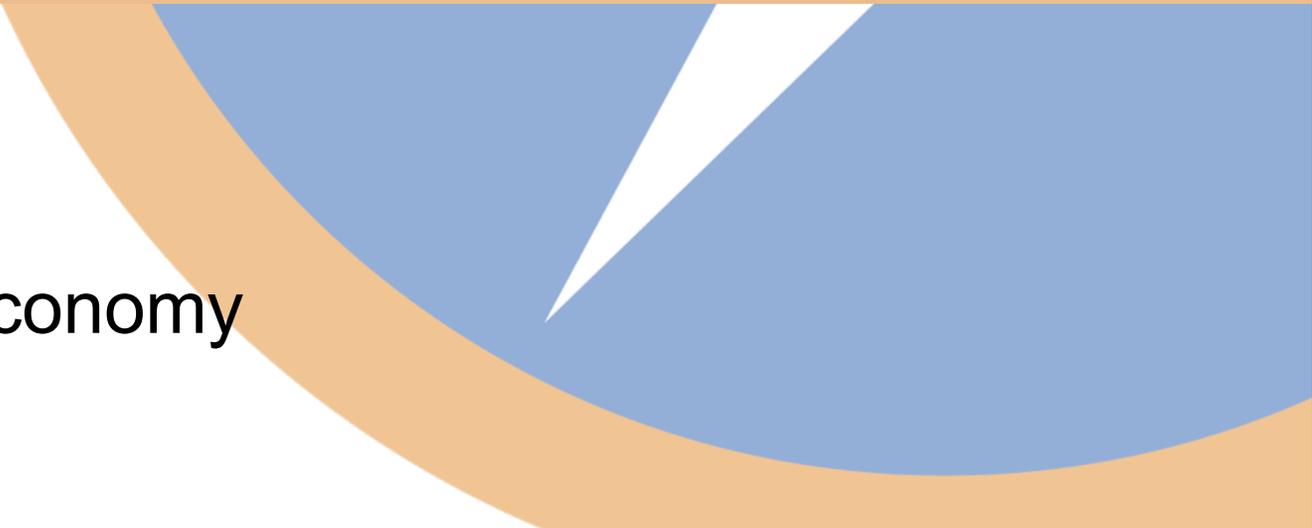
# **USING DESIGNATED AGENTS TO ADMINISTER THE CPP**

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Advanced Energy Economy



# States can use a whole host of measures to comply.

## OTHER OPTIONS

Carbon capture and sequestration

Demand response\*

### BSER

#### Renewables

(onshore wind, utility-scale solar PV and CSP, geothermal, hydro)



Coal-to-existing NGCC switching



Heat rate improvements

New and incremental nuclear



Other grid-connected renewables (offshore wind, DG, biomass, wave and tidal power)



Energy storage\*\*

Zero-emitting fuel cells



End-use energy efficiency

ESCOs, behavioral programs, appliance replacement, building energy codes, appliance codes



CHP, WHP, and cogeneration



T&D efficiency (VVO, CVR, smart grid)



\*Eligible to the extent it reduces net MWh end-use.

\*\*Cannot receive credit but benefits can be recognized.

# Administration of some of these compliance measures is a potential challenge.

- States want to utilize beyond-the-fenceline measures
  - Cost-effective
  - Expand economy
  - Provide energy system improvements
- But some regulators lack experience administering them, particularly EE



# Third-Party Entities (TPEs) can play a role in QA/QC protocols.

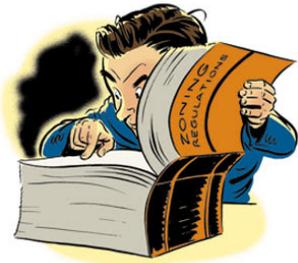


Count, Track, and Verify

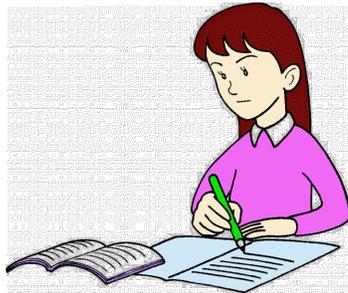
Helping implement the CPP...and beyond



# QA/QC protocols are important yet time-consuming and sometimes difficult



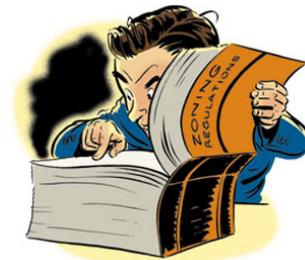
IRS creates the forms



Taxpayer gathers data



Taxpayer completes and submits forms



IRS makes determination



# There are three types of roles a TPE could play to aid in administering the CPP.



TPE Project  
Document  
Manager

**NEER**



Independent Verifier

**AIV**

Accredited Independent  
Verifier

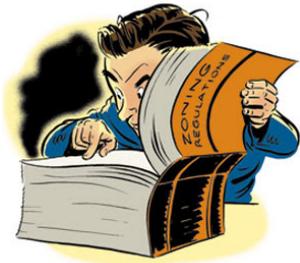


TPE Reviewer

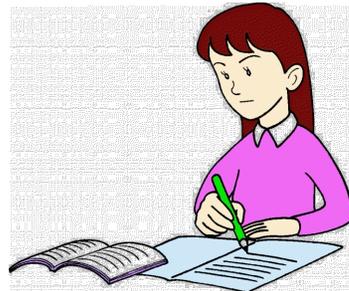
**Designated  
Agent**



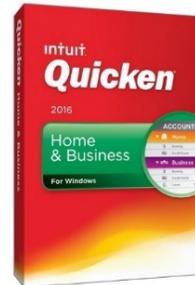
# Third parties can assist with the data gathering and report creation process.



IRS creates the forms



Taxpayer gathers data



Data management process control: math calculations



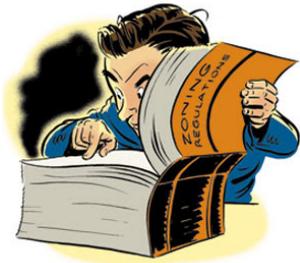
Taxpayer completes and submits forms



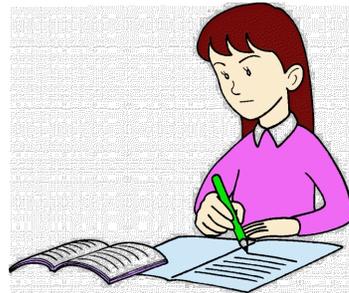
IRS makes determination



# Alternatively, third parties can play the role of accredited independent verifier.



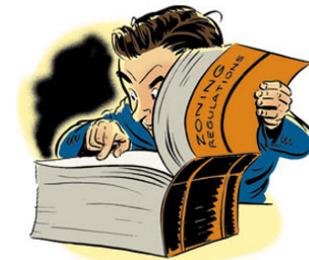
IRS creates the forms



Taxpayer gathers data



Taxpayer completes and submits forms



IRS makes determination

Independent professional certifies work



# Summary of TPEs:

Entity Example	Function	Compensation
Registry	<ul style="list-style-type: none"><li>• Manage documentation</li></ul>	<ul style="list-style-type: none"><li>• Fee for service, EE Provider and EGUs</li><li>• Possible subsidies by Jurisdictions</li></ul>
Accredited Independent Verifier	<ul style="list-style-type: none"><li>• Verify Asset Eligibility and Asset Output Reporting</li></ul>	<ul style="list-style-type: none"><li>• EE Provider, w/ strict conflict of interest rules</li><li>• Possible subsidies by Jurisdictions</li></ul>
Designated Agent	<ul style="list-style-type: none"><li>• Asset Eligibility and Asset Output Determination</li></ul>	<ul style="list-style-type: none"><li>• Must report to and be compensated by the Jurisdiction</li></ul>



# Questions?

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# Agents

*“Consistent with provisions in the Clean Power Plan emissions guidelines at 80 FR 64906, section VIII.K.2.b, a state may empower an agent to act on its behalf when administering the CEIP. A state agent is a party acting on behalf of the state, based on authority vested in it by the state, pursuant to the legal authority of the state. A state could designate an agent to provide certain limited administrative services, or could choose to vest an agent with greater authority. Where an agent issues an ERC or allowance on behalf of the state, such issuance would have the same legal effect as issuance of an ERC or allowances by the state.”*

—EPA, June 2016

Clean Energy Incentive Program Design Details; Proposed Rule

