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Renewable Northwest Project

April 11, 2007

Public Utility Commission of Oregon
Attn: Filing Center
PO Box 2148
Salem OR 97308-2148

Subject: AR 515 – In the Matter of A Rulemaking to Adopt Rules Related to Net Metering

Renewable Northwest Project (RNP) appreciates the opportunity to provide comments on the proposed Net Metering Rules. We offer our strong support for the proposed rules. They are a large step forward for Oregon in encouraging customers to invest in renewable energy resources to offset their electricity usage. Oregon's Governor Kulongoski has made renewable energy development a priority, and these net metering rules will help Oregon become a national leader in renewable generation. RNP participated in several productive stakeholder workshops and we believe that the draft rules provide an appropriate balance between encouraging investment in renewable generation and protecting utility system safety and reliability.

We support the proposed size limits of 25kW for residential customers and 2 MW for non-residential customers. These size limits will encourage more investment in renewable energy systems in Oregon, especially from the business sector. Allowing net metered systems at this size level, Oregon will lead the nation alongside Colorado, New Jersey, and Pennsylvania.

There are several other strong improvements in these proposed rules. They provide clarity on timelines and cost allocation for customers and the utilities. The rules do not require small inverter based systems to install a disconnect switch which can be financially burdensome. In addition, the rules clarify that the utilities cannot limit the cumulative generating capacity of net metered facilities.

There are two items in the draft rules that we believe can be improved to increase the likelihood that the new net metering rules will work for all customers wanting to install systems to offset their load.

Excess Energy from Net Metering Facilities (860-039-0060)

We understand and support the intent of this provision, to discourage customers from over sizing their systems. However, the provision to give all excess net generation to low income customers at the end of the year may negatively impact some customers whose systems *are* appropriately sized for their average annual load. During meetings with stakeholders we discussed this concern, with a focus on businesses constructing new buildings with large net metering systems. In some cases, those businesses will need to grow into their expected total annual load over a few years, and may be disadvantaged by this provision.

We offer one possible solution. We suggest that utilities continue to roll forward kWh credits for any net excess generation at the end of the year. This would allow net metering customers to grow into the size of their systems and offset a larger future load. At the same time, if the utility does not pay the customer directly for the excess, the customer cannot benefit from a net metered system that is ultimately too large for their total annual load. If after a set number of years (e.g. three years), there is still an unused kWh credit, the utility will transfer the value of this credit to customers in low-income assistance programs.

Aggregation of Meters (860-039-0065)

Staff has rightly recognized a potential disadvantage for net metering customers with multiple meters, and has addressed this for many customers by requiring utilities to aggregate meters for billing purposes under some circumstances. RNP is concerned that restriction (c) “The designated meter and the additional meter are subject to the same rate schedule” will limit the net metering benefits for some customers such as rural farmers and business owners. One example is a customer whose home is on a residential schedule, but who has a net metering facility interconnected some distance away on an irrigation meter. Under the draft rules, such a customer would not be able to offset their total load, even though they may be taking advantage of the best site to interconnect a renewable generation resource. We feel that restriction (b), which ensures that net metering can only be used to offset the energy used by the customer-generator, is restrictive enough and we suggest deleting (c).

We ask the Commission to consider these minor changes to the proposed net metering rules, and then to move quickly to approve this set of rules. Several customers interested in net metering larger renewable energy systems are waiting for these rules before moving forward. We commend the OPUC staff for recognizing the value of net metering for encouraging renewable energy development, which will benefit customer-generators and utility ratepayers as a whole. The improvements proposed to Oregon’s net metering rules are outstanding.

Sincerely,



Natalie McIntire
Senior Policy Associate