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DEPARTMENT OF JUSTICE  
GENERAL COUNSEL DIVISION

July 27, 2012

VIA E-MAIL AND U.S. MAIL

Attention: Filing Center  
Public Utility Commission of Oregon  
550 Capitol Street NE, #215  
PO Box 2148  
Salem, OR 97308-2148  
[puc.filingcenter@state.or.us](mailto:puc.filingcenter@state.or.us)

Re: *In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Investigation into Pilot Programs to demonstrate the use and effectiveness of Volumetric Incentive Rates for Solar Photovoltaic Energy Systems*  
PUC Docket No.: UM 1452  
DOJ File No.: 330-030-GN0025-10

Enclosed for filing with the Commission today are an original and five copies of the Oregon Department of Energy's (ODOE) Comments in the above-captioned matter.

Sincerely,

Janet L. Prewitt  
Assistant Attorney General  
Natural Resources Section

Enclosures

JDR:jrs//3540284

c: UM 1452 Service list

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1452

In the Matter of	)	
	)	
PUBLIC UTILITY COMMISSION OF	)	OREGON DEPARTMENT OF
OREGON,	)	ENERGY'S COMMENTS
	)	
Investigation into Pilot Programs to	)	
demonstrate the use and effectiveness of	)	
Volumetric Incentive Rates for Solar	)	
Photovoltaic Energy Systems.	)	

Oregon Department of Energy (“ODOE”) appreciates the opportunity to provide high-level comments in regards to the Volumetric Incentive Rate (VIR) pilot program with a focus on the design and implementation aspects only in regards to the volumetric incentive rates (VIRs) for the October, 2012 solar pilot program capacity allocation.

1. Solar Insolation Zones and rate differentiation:

ODOE recommends that Staff consider keeping different \$/kWh incentives for each zone in the VIR pilot program at the residential level. The current \$/kWh for each zone is 1) 0.411, 2) 0.346, 3) 0.346 and 4) 0.317<sup>1</sup>. This rate differential allows for an even playing field of identically sized systems in all solar resource areas. Without the current distribution in rates, certain zones may be disproportionately incented, resulting in skewed installations in certain zones only.

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<sup>1</sup> <http://www.pacificpower.net/env/nmecg/osip/osipfaq.html>


A "one size fits all" approach in terms of the VIR rate may not be equitable, but an equivalent rate adjusted by a production factor for each zone is equitable.

This concludes ODOE's comments.

DATED July 27, 2012.

Respectfully submitted,

ELLEN F. ROSENBLUM  
Attorney General

  
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OSB  
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CERTIFICATE OF SERVICE

I hereby certify that on the 27<sup>th</sup> day of July, 2012, I served the foregoing OREGON DEPARTMENT OF ENERGY'S COMMENTS upon the persons named on the service list, by mailing a full, true and correct copy thereof and to such persons waiving such service by mail who were served at their e-mail address as listed on the service list.

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