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Renewable
Northwest
Project

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BY EMAIL (to puc.commission@state.or.us)

Commissioners Susan Ackerman
Commissioner John Savage
Public Utility Commission of Oregon
550 Capitol Street NE
Salem, OR 97301-2551

**Re: Agenda Item 1 – Public Meeting July 26, 2011
Pacific Power Advice No. 11-011, Schedule 37
RNP's Request for Further Investigation**

Dear Commissioners Ackerman and Savage:

Renewable Northwest Project (RNP) supports Staff's recommendation that the Public Utility Commission suspend and investigate Pacific Power Advice No. 11-011, Schedule 37. RNP believes that the Commission should thoroughly investigate the problem and the full range of possible solutions.

The standard contract for QFs 10 MW and smaller was established in UM 1129 following in-depth policy discussions with a wide range of stakeholders. Project-specific adjustments to the standard contract and rate were not part of the framework adopted in UM 1129. In fact, the Commission made a policy choice to adopt standard contracts despite noting that individual characteristics of a particular small project could cause the utility's cost savings to differ from its actual avoided costs. *See* Order No. 05-584, page 16. If a change is to be made to this basic framework, full consideration in a policy docket is appropriate.

PacifiCorp requests approval of an extreme and expensive solution to the problem it describes: QFs in load pockets must purchase long-term firm transmission or their contracts will be terminated. Even if the issue of transmission out of load pockets is deemed worthy of consideration for standard contract projects, there is likely a range of less-expensive solutions. By describing only one solution, PacifiCorp may have exaggerated the magnitude of the problem and thus the necessity for immediate changes.

As state policy increasingly favors small and community scale renewable generation, the state must take care to ensure that PURPA policies work for both small generators and utilities. Changing the rules for transmission very late in the game—in a sense, after the game is over for the projects at issue—is not consistent with this policy direction nor with the Commission's prior treatment of PURPA standard contracts.

RNP appreciates consideration of these comments, and encourages the Commission to suspend Advice No. 11-011 for further investigation.

Sincerely,



Megan Walseth Decker
Senior Staff Counsel
Renewable Northwest Project

Cc (by email): Ed Durrenberger, PUC Staff
PacifiCorp Oregon Dockets
Jordan White, PacifiCorp
Jeffrey Lovinger & Ken Kaufmann