

December 31, 2013

To: Parties in UM 1673

RE: Staff Questions for Parties on the Solar Incentive Program Report under HB 2893

At the UM 1673 workshop on November 5th, 2013, the stakeholders present agreed to submit written comments on the issues in this report on December 18th, 2013. Staff agreed to send a list of questions to all parties. The questions are not intended to be prescriptive, but rather to help parties organize their comments.

My list of questions is attached. There are a large number of questions, covering the entire range of topics named in section 4 of HB 2893. There are also questions at the end that may not closely match the language of the statute, but are nonetheless issues that the Commission wants to consider in its report.

Please use these questions as guidance, rather than as mandatory. The intent is not for every party to be obliged to answer every question, and comments need not be limited to only the questions on this list. I hope you find this list useful in drafting your comments. If there are any questions, please feel free to contact me, Aster Adams, or Maury Galbraith regarding the comments or the Solar Incentive report in general.

Thanks,

Adam Bless
Oregon Public Utility Commission
503-378-6638
Adam.bless@state.or.us

HB 2893 Solar Incentive Report to Legislature

PUC Staff Questions for Stakeholders

Nov 21, 2013

General Questions

1. What is the primary goal in promoting solar?
2. What is the proper role of the utility in developing solar?
3. What are the solar incentive programs under evaluation?
 - a. Programs currently in place in Oregon?
 - b. Programs outside of Oregon that may be worth examining?
4. How should solar incentive programs be evaluated?
 - a. What evaluation criteria should be used (e.g. cost per kwh, cost per installed KW, cost per unit of carbon displaced, other)?
 - b. How can the evaluation criteria be selected so that different programs are compared on an apples to apples basis?
 - c. What data is needed and how should it be gathered?

Questions related to Resource Value (HB 2893 (4)(1)(a))

5. In UM 1559, the Commission chose not to require utilities to report certain elements of Resource Value, such as avoided CO₂, fuel price volatility, integration, and transmission and distribution costs.¹ Should we calculate them now? If so, how should we do so with the data available?

¹ See Order 12-396 at 5.

6. How does the resource value of distributed solar compare with utility scale solar? To make this comparison, what factors do we take into account, and what data would be needed?

Questions related to Costs and Benefits of Programs and their Distribution among retail electricity customers (HB 2893 (4)(1)(b))

7. How does cost effectiveness match up with the overall goal of promoting solar energy in question 1?
8. How are the benefits of incentive programs distributed among non-participating retail customers?
9. Can those benefits be quantified? If so, how? What studies would need to be done and what data would be needed?
10. What available studies on benefits of SPV (national or from other states) might be applicable to Oregon, and how would the results be adjusted so that the dollar value of the benefits is realistic for Oregon?
11. Do incentive programs create cross subsidies?
 - a. Who pays them?
 - b. Are some ratepayer classes more affected than others?
 - c. How are low income ratepayers protected?
 - d. Do some types of programs create less of a cross subsidy than others?
12. Do VIR and Net Metering participants pay their full share of the fixed costs of maintaining the grid? How are fixed costs recovered, and how should they be recovered?
13. At what level of penetration does the impact on utility revenue become a significant factor?

Questions about Forecast Costs associated with solar photovoltaic systems in Oregon (HB 2893 (4)(1)(c))

14. What are sources of forecasts of solar panel prices? How big is the range of estimates?

15. How much of SPV system costs are soft costs (interconnection, permitting, code compliance, other)?
16. What initiatives are underway to lower soft costs? Is the trend in soft costs going down at the same pace as panel costs? Do soft costs create a “floor”?

Questions about Barriers within the programs to providing incentives (HB 2893 (4)(1)(d))

17. List perceived barriers within the incentive programs in Oregon.
 1. Barriers that could be reduced by modifying the incentive program.
 2. “Barriers” that are really measures intended to minimize cost shifting or abuse
18. List “other” barriers unrelated to incentive programs (e.g. local permitting, building codes, other)

Questions about Future Development of Solar Energy

19. At what penetration does solar generation affect local distribution reliability?
20. What initiatives are in place to prepare for greater solar penetration, and what initiatives might be considered?
21. Looking forward, what initiatives are in place to reduce solar integration costs, and what initiatives should be considered?
22. What business models would best meet the overall goals in Questions 1 and 2?