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Suite 400
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June 16, 2014

Via Electronic Mail and Federal Express

Public Utility Commission of Oregon
Attn: Filing Center
3930 Fairview Industrial Drive SE
Salem OR 97302

Re: PUBLIC UTILITY COMMISSION OF OREGON
Voluntary Renewable Energy Tariffs for Non-Residential Customers / HB 4126
Docket No. UM 1690

Dear Filing Center:

Enclosed for filing in the above-referenced docket, please find the original and three (3) copies of the Comments of the Industrial Customers of Northwest Utilities.

Thank you for your assistance. If you have any questions, please do not hesitate to contact our office.

Sincerely,



Linda K. Stewart


Enclosures
cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the attached **Comments of the Industrial Customers of Northwest Utilities** upon all parties in this proceeding by causing a copy to be sent via electronic mail to the following parties at the following addresses.

Dated at Portland, Oregon, this 16th day of June, 2014.

Sincerely,


Linda K. Stewart

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1690**

In the Matter of)	
)	
PUBLIC UTILITY COMMISSION OF)	COMMENTS OF THE
OREGON)	INDUSTRIAL CUSTOMERS
)	OF NORTHWEST UTILITIES
)	
Voluntary Renewable Energy Tariffs for)	
<u>Non-Residential Customers / HB 4126</u>)	

ICNU appreciates the opportunity to participate in the discussion regarding basic principles that will create a voluntary renewable energy tariff (“VRT”) that complies with HB 4126. While ICNU understands that there are a number of potential designs for a VRT, ICNU is not, at this time, prepared to endorse or to rule out any specific design. Rather, at this early stage, any potential tariff or special contract must be evaluated against the customer protections that are included in HB 4126. Specifically, a VRT should be a narrow, voluntary offering tailored to the needs of a prospective customer, and it should not result in cost shifting to other customers not taking service under a VRT. In addition, the design and implementation of a VRT should not impact the Public Purpose Charge.

1. Section 3(4) of HB 4126 ensures that each customer that chooses a renewable energy tariff will pay all of the costs related to its participation. This requirement forbids potential cost shifts, the existence of which would make a VRT unacceptable. The legislation prohibits shifting costs from customers that are taking energy on a VRT to customers that have not chosen such a tariff. The law’s legislative history makes clear that a renewable energy tariff will result in no cross subsidization between customers that belong to different rate schedules.

2. As demonstrated by the World Resources Institute white paper (the “White Paper”) circulated by Staff, a green tariff in Oregon carries additional complications. An assumption underlying the White Paper is that a green tariff is most necessary in a traditional electric market, because in states that have adopted direct access, ESS’s are often able to fill the need for a green tariff through market-based programs, rather than offering them through the incumbent utility. White Paper at 3. HB 4126 mandates that Oregon will consider both third party and utility solutions for customers that desire a green product. A green tariff in Oregon must not erode or damage the existing open access market or inhibit competition. The legislative history of HB 4126 clarifies that the purpose of the law, and Section 5 in particular, is to explicitly state that direct access rules do not prohibit the adoption of a renewable energy tariff. Utilities and competitors should have equal opportunities to offer these renewable products.

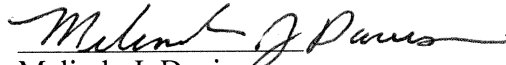
3. HB 4126 states that the Commission may consider a “voluntary” VRT. Any model adopted in Oregon must be narrowly constructed to meet customer needs and must be truly “voluntary.”

4. Sponsors of HB 4126 clarified on the legislative record that a renewable energy tariff was not intended to raise any issues surrounding the Public Purpose Charge (see ORS § 757.612(2)) paid by Oregon electric customers, and that any resulting renewable energy tariff will not result in any increase in the Public Purpose Charge. While there is no obvious reason that a green tariff should implicate the Public Purpose Charge, the entire context of a tariff’s enactment should be examined to ensure that there is no incidental cost shifting that has the practical effect of altering the Legislature’s direction regarding the Public Purpose Charge.

Dated this 16th day of June, 2014.

Respectfully submitted,

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