

Preliminary Statement of Principles  
Voluntary Renewable Energy Tariff  
UM 1690  
Submitted by the NW Energy Coalition  
June 16, 2014

The NW Energy Coalition submits the following preliminary principles that could be used in developing voluntary renewable energy tariffs (“VRET”) for discussion purposes in UM1690. These preliminary principles are intended as a starting point for discussions; we fully expect the principles to develop and improve when combined with the ideas of other parties in this docket.

The NW Energy Coalition views the potential addition of VRET’s as an additional tool in our utility toolbox to promote clean energy. Consequently, we view this potential tool as additive in nature, rather than replacing, in part or in whole, any existing clean energy policy adopted by the State of Oregon. As a result, our preliminary principles primarily emphasize the additive nature of VRET’s and ensuring that a VRET policy is in line with existing rules and regulations.

**I. Further development of significant renewable resources (HB 4126 Section 3(3)(a))**

- 1) New resources: A VRET should serve customers with the direct output of RPS-eligible resources that have not previously served load within the utility’s service territory and are not required to be added to the utility system for any reason other than the VRET. Unbundled RECs should not be used in a VRET.
- 2) No double counting: Resources assigned under a VRET should not be eligible for RPS compliance. Further, all REC’s associated with power serving a VRET should be retired.

**II. Competitive Markets (HB 4126 Section 3(3)(b))**

- 1) Supplemental to direct access: VRETs must not interfere with direct access and must be shown to be able to exist alongside of that policy in a spirit of true competitiveness.

**III. Impacts on Non-Participating Customers (HB 4126 Section 3(3)(c))**

- 1) No subsidies: Non-participating customers should not subsidize customers who are participating in a VRET. Non-participating customers should not bear any

additional costs as a result of a VRET if there are no benefits that accrue to them. System benefits should be taken into account when considering costs and benefits.

- 2) Eliminating risks to non-participating customers: Non-participating customers also need to be shielded from any risk involved with the creation of new resources: no cost overruns and no liability.
- 3) Keeping the utility system intact: All proportional costs associated with being served by the utility system must be paid by the VRET.
- 4) Public Purpose Charge: Customers participating in a VRET must pay the public purpose charge established under HB 1149 and HB 848 (if applicable).

#### **IV. Other Considerations**

- (1) Comply with existing laws: The structure of a VRET must comply with all existing laws and resources governing our utility system including those dealing with energy efficiency, renewable energy, and competitive markets.
- (2) Energy efficiency: it is the policy of the state that all cost-effective efficiency be acquired. Any customer that wishes to enter into a VRET should be required to comply with some level of investment of efficiency (within their own system) prior to the creation of a VRET for that customer.
- (3) Other voluntary clean energy programs: VRET's should add options to voluntary clean energy programs; adding VRET's should not negatively disrupt established voluntary clean energy programs at utilities.
- (4) Open and transparent: VRET's should be available for review and comment by stakeholders in the PUC process.