

UM 1690 Voluntary Renewable Energy Tariff Statement of Principles

Iberdrola Renewables, LLC

As a developer, builder, operator, and marketer of renewable energy and related services in Oregon, Iberdrola Renewables supports retail electric consumers' ability to procure renewable energy products. Iberdrola Renewables markets renewable energy to both utilities and retail consumers in Oregon and elsewhere. The following principles are offered to frame consideration of a voluntary renewable energy tariff (VRET), based on the company's commercial experience and the guiding criteria set forth in House Bill 4126.

1. Competition is a bedrock principle of electric service in Oregon, at both the wholesale and retail levels. Structuring a voluntary renewable energy tariff in a manner that thwarts the development of a competitive retail market would be unacceptable.
2. To the extent Energy Service Suppliers (ESSs) are unable to provide customers with the electricity products they want under current Oregon law and regulation, the Commission should first fix the existing regulations and remove barriers to market entry by ESSs. Only after finding that current law and regulation do not meet retail consumers' needs should the Commission initiate an investigation of new utility tariffs.
3. A VRET that does not satisfactorily define what constitutes "renewable energy" carries with it the risk of undermining customers' claims about renewable energy consumption and Oregon's reputation as a state leader in the promotion of renewable energy.
4. Asking utilities' customers that opt for regulated "plain vanilla" electric service to assume any costs or risks associated with the provision of service under a VRET would be unacceptable.

Comments on “Implementation of HB 4126...Draft Issues for Discussion Revisions – Version 2”

I. Foundational Questions

Add a new bullet:

- “What are the impediments under current customer-choice law and regulations that impede commercial customers from procuring renewable energy?”

II. How should a Voluntary Renewable Energy Tariff (VRET) be defined and designed?

Add a new bullet:

- “What are the delivery requirements for the renewable energy provided through a VRET?”

Add to the existing first bullet “What are the essential features and design options of a VRET?” the following:

- “For example, what percentage of energy (above the RPS requirement) is the minimum to qualify for a VRET product?”

III. Whether Further Development of Significant Renewable Energy Resources is Promoted?

In the third bullet, before the acronym “RECS” add the word “unbundled” to clarify that “unbundled RECs” are the focus of what (if any) limitation should be imposed. The use of RECs (whether bundled or unbundled) is, presumably, the mechanism for verifying compliance with the tariff.

IV. What may be the Effect on Development of a Competitive Retail Market?

Restate the second bullet as follows to clarify that the limit should qualify only utility affiliates:

- “If a VRET should have a negative effect on the ability of competitive suppliers to operate in Oregon, should the ability to offer products under a VRET be ~~limited to~~ **open only to competitive suppliers and** affiliates of Oregon utilities that are subject to less regulation? If not, how should the Commission ensure that competitive suppliers are protected and continue to operate in Oregon?”

V. What may be the Direct or Indirect Impacts on Non-Participating Customers

At the end of the second bullet add the following:

- “Should the treatment of departing customers’ fixed costs under a VRET be different from the treatment of those costs under direct access? Why, or why not?”