

To: Oregon Public Utility Commission  
Attn: Ruchi Sadhir, Senior Policy Advisor  
via email to: [PUC.hearings@state.or.us](mailto:PUC.hearings@state.or.us)

Cc: UM 1690 Service List

From: Renewable Northwest  
Megan Decker, Chief Counsel

Re: *Phase 1* – Reply Comments

Date: January 9, 2015

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Renewable Northwest (Renewable NW) offers brief reply comments related to the Oregon Public Utility Commission’s (Commission’s) Phase 1 study of voluntary renewable energy tariffs (VRETs).

We encourage the Commission to keep its eye on an achievable goal: expanding new renewable energy development by better enabling customers to pay for and access incremental renewable energy projects. VRET examination thus far has revealed complexity and a pitched battle for business competitiveness. Both are worth navigating through to reach the goal of expanding renewable energy. The Commission can use its Phase 1 study to focus parties into constructive dialogue toward a vehicle that achieves the goal with no significant harm to utilities, their competitors or non-participating customers. We recommend a pilot program of at least 150 MW for customer access to specific renewable energy projects be instituted by year-end (without prejudice to future evolution in VRET options).

With its primary goal to expand renewable energy, the VRET does not need to be identical to Direct Access. Creating incremental opportunities to sell renewable energy to customers expands the market for renewable energy suppliers and can be structured to preserve competition. While Direct Access is one option for customer access to renewable energy that should be fostered, the point of Direct Access is to allow competition in electricity supply—not specifically to expand renewable energy. It is reasonable to consider alternatives either within or outside Direct Access that are specifically geared to promoting renewable energy. It is also reasonable to make special provision for customers who elect a high quality renewable energy product. Thus, while we encourage parallel treatment between VRET and standard Direct Access where there is no logical or policy reason for distinctions, it is not necessary to make a new VRET identical to existing Direct Access in order to maintain competitiveness while advancing the goal to expand renewable energy.

To maintain the rationale its distinction from standard Direct Access, a VRET must be held to very high standards as an environmentally beneficial choice. A VRET is distinctive if it

serves customers' energy needs with RPS-eligible renewable energy resources that are brought online specifically to serve the VRET. (For transition periods, a VRET could allow for temporary use of RPS-eligible renewable energy resources of recent vintage that are new to the utility's portfolio.) While it is not necessary to structure a VRET around minute-to-minute load matching, customers should receive supply credits for renewable energy generated during the relevant billing period—not for banked or unbundled RECs. Customers should receive the environmental attributes and those attributes should not be claimed in the utility's supply mix. Available purchasing blocks or percentages should represent significant amounts of supply above the customers' RPS supply. These sideboards are necessary to make the VRET a distinctive policy choice that significantly expands renewable energy.

Renewable NW encourages the Commission to use the Phase 1 study to push this docket toward the goal of promptly enabling customer choice to expand new renewable energy development. On December 30, 2014, the California Public Utilities Commission released a proposed decision in its green tariff docket.<sup>1</sup> Though California's situation is different in many ways, and the decision is not final, the proposed decision cuts through complexity and differing views to establish two new paths to increase utility customer access to renewable energy. We encourage the Commission to use its leadership to advance from the examination stage toward decisions that accomplish new customer renewable energy offerings in Oregon.

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<sup>1</sup> Proposed Decision of ALJ McKinney (12/30/2014), Application Nos. 12-01-008, 12-04-020, 14-01-007, available at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M143/K989/143989599.PDF>