

BEFORE THE PUBLIC UTILITY COMMISSION

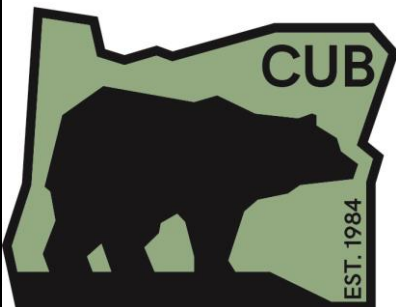
OF OREGON

AR 600

In the Matter of)
)
RULEMAKING)
)
Regarding Allowances for Diverse)
Ownership of Renewable Energy)
Resources.)

**OPENING COMMENTS OF THE
OREGON CITIZENS' UTILITY BOARD**

February 16, 2018



BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

AR 600

In the Matter of)	
)	OPENING COMMENTS OF THE
RULEMAKING)	OREGON CITIZENS' UTILITY
)	BOARD
Regarding Allowances for Diverse Ownership)	
of Renewable Energy Resources.)	
<hr/>		

I. INTRODUCTION

The Oregon Citizens' Utility Board ("CUB") appreciates the opportunity to provide these opening comments on the rulemaking regarding allowances for diverse ownership of renewable energy resources. CUB also appreciates the extension that allowed additional time to provide these comments. In these comments, CUB will address the four major policy questions posed by Staff in its January 25, 2018 Notice.

II. COMMENTS

A. *Is it appropriate to allow exemptions from certain competitive bidding rule sections if a Request for Proposal (RFP) does not incorporate or consider electric company ownership of resources?*

It is CUB's understanding that the primary purpose of this rulemaking is to address a utility bias towards acquiring utility owned resources which is entrenched in the competitive bidding process. Some of the competitive bidding rules address the utility's inherent conflict of interest when a utility is both conducting an RFP and bidding into the same RFP. If utility

ownership of the resource is eliminated from the RFP process, it stands to reason that many, if not all, competitive bidding rules would be unnecessary to obtain the optimal resource. For these reasons, CUB thinks it would be appropriate to allow exemptions from certain competitive bidding rules when the RFP does not include consideration of a utility owned resource.

B. *Is the engagement and participation of an Independent Evaluator (IE) in the competitive bidding process valuable regardless of whether the RFP contemplates utility resource ownership options?*

For similar reasons as stated above, CUB does not see what value an IE would offer to the competitive bidding process if all utility owned resources were removed from the RFP process. Removal of utility owned resources also removes the entrenched utility bias, and an IE would not be necessary to address a bias that no longer exists. IEs are expensive, and customers pay the cost of an IE. Utility regulation should avoid placing unnecessary costs onto customers.

C. *Can or should electric companies be compelled or encouraged to offer electric company owned facilities to bidders proposing non-utility owned resources if those same sites are utilized for benchmark or electric company owned bids?*

CUB believes that the proposition of compelling an electric company to offer its facilities to bidders is legally dubious. In particular, this requirement would likely raise arguments of the PUC imposing a “regulatory taking” in violation of the U.S. and Oregon Constitutions.¹ CUB believes this issue should be more fully explored through legal briefing by the parties, instead of in these opening comments.

D. *Should transmission activity be subject to competitive bidding requirements?*

CUB supports requiring transmission activity to be subject to competitive bidding requirements. In most of the country, regional transmission needs are controlled by regional

¹ See Ore. Const. Art. I, Section 18 (“Private property shall not be taken for public use, nor the particular services of any man be demanded, without just compensation...”); USCS Const. Amend. 5 (“...nor shall private property be taken for public use, without just compensation.”).

transmission organizations (RTO). RTOs uniformly use competitive bidding standards to solicit competitive proposals to build transmission. Although Oregon utilities are not members of a RTO, it seems clear all ratepayers would benefit from a process that ensures transmission contracts are awarded to the most competitive bidder.

III. CONCLUSION

CUB appreciates the opportunity to submit these opening comments, and we look forward to continuing to participate in this matter.

Respectfully Submitted,

/s/ Elizabeth Jones

Elizabeth Jones, OSB # 170349
Staff Attorney
Oregon Citizens' Utility Board
610 SW Broadway, Suite 400
Portland, OR 97205
T: (503)-227-1984, ext. 23
F: (503) 224-2596
liz@oregoncub.org