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Oregon Public Utility Commission (OPUC)
Attn: Jean-Pierre (JP) Batmale, Sr. Utility Analyst
201 High Street SE, Ste 100
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RE: ONEENERGY COMMENTS ON OPUC DOCKET UM 1020

DEAR COMMISSIONERS AND OPUC STAFF:

OneEnergy Renewables (OneEnergy) appreciates the opportunity to submit comments to OPUC on docket UM 1020 regarding the use of utility voluntary renewable energy funds on eligible renewable projects.

OneEnergy urges OPUC to allow the use of utility voluntary renewable energy funds to support qualifying facility (QF) projects signed under renewable avoided cost rates. The long-standing custom in Oregon of allowing developers to leverage multiple funding sources to achieve project financing has manifested into significant proliferation of in-state solar development – Oregon was recently ranked a “Top 10” state in solar installations¹. Continuing this custom will drive the most cost-effective small-scale renewable energy projects and help utilities find the least-cost projects to meet the SB 1547 provision: by 2025 at least 8% of the aggregate electrical capacity must come from projects with a capacity of less than 20 megawatts (MW).

OneEnergy Renewables develops utility-scale renewable energy projects across North America. Active in Oregon since 2009, OneEnergy led the development of the 2.99 MW Steel Bridge Solar in Polk County and the 1 MW Blue Basin Solar in Klamath County, both of which went operational in 2016. Steel Bridge Solar is the heart of Portland General Electric’s (PGE) popular [Green Future Solar](#) program, which fosters customer choice for voluntary green power participation, launched in Fall 2015 and sold out by April 2016 due to significant residential customer demand.

OneEnergy has achieved late-stage development of the 604 kilowatt (kW) Willamina Solar Project, planned to be constructed adjacent to Steel Bridge Solar. Located in the southwestern region of PGE’s service territory, Willamina Solar has achieved major development milestones. Beyond the environmental benefits of generating a source of renewable energy, Willamina Solar will deliver numerous economic benefits, including: a spike of local spending and a hired regional labor force during the construction period; a stable long-term income stream for the

¹ *Portland Business Journal*, “How Oregon Became a Top 10 U.S. Solar State,” December 15, 2016, <http://www.bizjournals.com/portland/news/2016/12/15/how-oregon-became-a-top-10-u-s-solar-state.html>.



landowner over the operational life through recurring annual lease payments; and the generation of property taxes flowing into Polk County's economy, a Distressed Area in 2016 as defined by Business Oregon.²

Willamina Solar will also provide educational opportunities and community engagement. As part of the development of Steel Bridge Solar, OneEnergy made a substantial contribution to the Bonneville Environmental Foundation (BEF) to support "Solar 4R Schools" renewable energy education in schools surrounding the area. OneEnergy proposes to use Willamina Solar to expand that educational effort. If RDF funds are awarded to Willamina Solar, OneEnergy will make a cash contribution to BEF and allow BEF to access the site for educational tours.

The success of this beneficial solar project hinges upon accessibility to incentive funding sources to help the project achieve critical project financing. OneEnergy has submitted the project into PGE's Renewable Energy Development Fund (RDF) 2016 competitive solicitation and complies with the "Renewable Development Funds' Guidelines – 2016" recommended by Staff for adoption in a Staff Report dated April 21, 2016. This project type is appropriate for support from Clean Wind/Green Source customer funds because it delivers power directly to PGE's grid, where all benefits of the project will accrue to PGE ratepayers and voluntary Clean Wind/Green Source customers.

Under Willamina Solar's executed QF power purchase agreement (PPA) with PGE, which is subject to the Schedule 201 renewable avoided cost, the renewable energy credits (RECs) produced by the project will be delivered to PGE for approximately 12-years during the Renewable Resource Deficiency Period. Willamina Solar retains the right to all other RECs generated by the project during the Renewable Energy Sufficiency Period. In short, while the PPA uses the renewable avoided costs, *it is an agreement only for partial delivery of renewable energy* due to the differing treatment of RECs during the contract term.

Moreover, OneEnergy has proposed to PGE a 25-year RDF incentive agreement whereby all currently uncontracted RECs (i.e. those RECs generated during the Renewable Resource Sufficiency Period) produced by Willamina Solar until the 25th anniversary of the project's commercial operation date will be transferred to the Clean Wind/Green Source participants.

This would result in more than 50% of the total Willamina Solar RECs transferred to Clean Wind/Green Source participants over the proposed 25-year incentive agreement term. The incentive agreement would be clear that any payment from RDF *would be made only in consideration of RECs that are not already contracted for delivery to PGE under the PPA* (i.e. those RECs generated during the Renewable Resource Deficiency Period). RECs will not be transferred to any other

² Business Oregon, "Distressed Areas in Oregon, 2016," <http://www.oregon4biz.com/Publications/Distressed-List/index2016.php>.



entity for the 25-year incentive agreement term.

In consideration of the above proposed structure, OneEnergy urges OPUC to allow the use of utility voluntary renewable funds like PGE's RDF for QF projects like Willamina Solar.

Thank you again for the opportunity to provide comments on this matter. Please contact me if you have any additional questions at bill@oneenergyrenewables.com.

Sincerely,

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