

June 22, 2015

Oregon Public Utility Commission
P.O. Box 1088
Salem OR 97308-1088

BY EMAIL (to puc.filingcenter@state.or.us)

Re: UM 1020
Portland General Electric Advice Filing No. 15-10 (ADV 23)
Comments of Renewable Northwest

Dear Chair Ackerman and Commissioners:

Renewable Northwest appreciates the opportunity to share our views on Portland General Electric's (PGE's) Advice No. 15-10, Renewable Solar Option, with the Oregon Public Utility Commission (PUC). This letter largely summarizes observations we have made before, both with PGE and in discussions within the Portfolio Options Committee (POC).

Support evolution of Renewable Energy Credit (REC) purchasing programs. PGE's Renewable Solar Option represents a positive step forward for REC-only green power purchasing programs in Oregon. PGE's new product allows motivated customers to make premium REC purchases that make the difference to enable development of a new in-state solar photovoltaic project. As such, this product responds to the POC's expressed preferences for green power products that support local projects and offer something distinct from the utility's existing offerings.

Still, PGE's Renewable Solar option does not offer purchasing customers any of the non-environmental benefits of renewable energy—principally, long-term cost stability and risk reduction. Models to extend some of those cost and risk benefits to customers not able to install on-site solar are under active discussion in Oregon. It is important to acknowledge and ensure that customers and policymakers understand that PGE's Renewable Solar Option, while a positive evolution of REC-only products, does not accomplish that goal.

Recommend attention to communications to enable further evolution. Given the need to distinguish PGE's proposed product offering from the distinct customer benefit profile of both on-site solar and of farther-reaching community solar models, Renewable NW recommends that the PUC charge its staff with an active role in monitoring PGE's marketing messages and broader communications about the new product. At minimum, the PUC should establish parameters for the company and its marketers to adhere to. Either or both could be done in collaboration with the POC.

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Energy Association
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Currently, the PUC and POC ensure the accuracy of customer marketing messages through Green-e program certification. Green-e’s focus is on compliance with standards for communicating the significance of a REC purchase to customers. The PUC has a broader role to help customers—and policymakers—distinguish among different types of customer choices that are available—or may be made available—in the state.

In this regard, the PUC should ensure that customers are able to understand that their solar REC purchase will not change their electricity bill, which will reflect the costs of the utility’s standard electricity mix plus a premium that supports a portion of the cost of the solar facility. Moreover, the PUC should warn against communications that refer to Renewable Solar as a “bundled” electricity product; although the RECs are generated by a project that delivers energy to PGE’s system and the customers are purchasing electricity from PGE’s system, purchasers are not specifically receiving or being assigned the energy output from the project.¹ Likewise, the term “shares” is not appropriate in connection with the project, because purchasing customers have no ownership role.

In general, the PUC should be attuned to how PGE’s product is presented in relationship to other solar choices that are available (or may be made available) to customers. Renewable Solar should not be presented as a full-fledged alternative to rooftop solar or community solar models currently under discussion. Particularly because PGE enjoys a

¹ The term “bundled” may mean different things in different contexts, making it difficult to use without risking

This can be observed from the following sentence on [Green-e’s FAQ website](#), where “bundled” is used to describe two different types of offerings. Both are made by utilities (or other retail suppliers) but only one is directly sourced from a renewable generator:

“Renewable electricity is a REC and a MWh of null power **bundled** into a single product. An electricity provider can combine RECs with an equivalent amount of electricity and offer their customers the resulting renewable electricity. Renewable electricity can be created with RECs and non-renewable electricity, or directly sourced from a renewable generator as a **bundled** electricity product.”

(Emphasis added.) Green-e’s primary reason for using the term “bundled” is to distinguish between the two main types of programs they certify: RECs purchased through utility green power programs in combination with electricity supply and third-party, independent companies that market only RECs to consumers. *See, e.g., Green-e Verification Report* (2012), p. 5 (Figure 4). The PUC, unlike Green-e, does have a reason to distinguish between direct sourcing and RECs+null power.

Another point of confusion in using the term “bundled” could come from the bundled/unbundled REC distinction in the Oregon RPS (see ORS 469A.005 and OAR 330-160-0025). This set of definitions is concerned with whether the utility acquired the electricity from the specific renewable generator that produced the REC in question.

In the context of renewable energy choices available to Oregon electricity consumers, the term “bundled,” if used, should mean that the customer is being assigned both RECs and accompanying electricity from a renewable energy project.

natural advantage in customer relationship, and that relationship should not be used to crowd out alternative choices that offer different customer benefits.

Importance of PURPA to product development. Finally, we note that role that Oregon's PURPA policy has played in enabling this evolution of green power purchasing. Without avoided cost rates and long-term contracts in place to motivate initial project development, the solar project would not have reached a stage of development in which it became available to support development of this new product. We encourage the Commission to recognize the multi-faceted role that Oregon's PURPA implementation can play in diversifying energy supply and customer energy choices.

With these comments, we appreciate PGE's ongoing efforts to evolve customer energy choices, we encourage the PUC to support PGE's efforts, and we wish PGE success in introducing the new product and carrying it forward to support development of additional, new solar PV projects in Oregon.

Sincerely,



Megan Decker
Chief Counsel, Renewable Northwest