

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UM 1396

In the Matter of: )  
 )  
Investigation into determination. ) OPENING COMMENTS of  
of resource sufficiency ) ENERGY TRUST OF OREGON  
pursuant to Order No. 06-538 )  
 )

Energy Trust of Oregon submits the following comments in conditional support of the concepts of the January 6, 2010 decision outline.

The January 6, 2010 decision outline recommends adding an avoided-cost-stream option for qualified-facility (QF) renewable resources. This option would be priced based on the deficiency date and resource costs of the utilities' major renewable resource acquisition.

Energy Trust supports this option in concept. The addition of an avoided-cost-stream option for renewable QF resources should compensate project owners for the added value that renewable resources provide to ratepayers beyond energy generation. This option could help to support further development of small renewable resources in a manner that benefits ratepayers and project owners in Oregon. In addition, the potential to cede renewable energy certificates (RECs) directly to the utilities could be an efficient, least-cost way to ensure RECs are certified through WREGIS and attributed to the Oregon RPS.

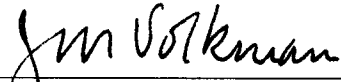
Our support is conditional because the details of implementation are important. We suggest the Commission invite further discussion to ensure common understanding and consistent interpretation of the option. Questions such as the following could be explored:

- Would REC ownership be ceded only during years of deficiency?
- Energy Trust sees project REC value and above-market cost as related but not equivalent. How would the interaction be defined for these projects?
- It is likely that large wind will be a major renewable resource in future years. Would a rate for large wind be an appropriate proxy in compensating other renewable technologies?
- Depending on the timing of the major renewable resource, would projects be discouraged from developing in the short term when rates are at market levels?

We also suggest that the Commission make clear that it may delay implementation if national or regional policy changes create too much ambiguity and uncertainty while the parties are exploring these issues.

The Commission also requested comments on ICNU's suggestion that "eligible renewable QFs should not be limited to only the Oregon RPS. If a utility is acquiring renewable resources that would meet an RPS requirement in another state in which it provides service or a Federal RPS, then the renewable QF should be able to sell power based on the costs of the renewable resource."

Energy Trust supports renewable projects whose generation directly meets Oregon ratepayer's needs, not those of other states. Our only comment on this proposal is that costs be tracked and allocated appropriately to impacted ratepayers.



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John M. Volkman  
Elaine Prause

2/1/10

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Date

CERTIFICATE OF SERVICE

I, John M. Volkman, hereby certify that on this day I served a copy of the Petition to Intervene and Waiver of Paper Service of Energy Trust of Oregon upon all persons indicated on the attached service list via electronic mail, and also by first-class mail to those who have not waived paper service.

Dated this <sup>1<sup>st</sup></sup> day of February, 2010, at Portland, Oregon.

By: *John M. Volkman*  
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