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Via Electronic Filing

Commission Chair Lisa Hardie
Commissioner Megan Decker
Commissioner Stephen Bloom
Oregon Public Utility Commission
201 High St SE, Suite 100
Salem, Oregon 97301

RE: Docket No. UM 1728: Comments of the Community Renewable Energy Association

Dear Commissioners:

The Community Renewable Energy Association (“CREA”) submits these comments regarding Portland General Electric Company’s (“PGE”) annual May 1 avoided cost rate update filing, which PGE has proposed to take effect on May 17, 2017. As explained below, the Public Utility Commission of Oregon (“OPUC” or “Commission”) should determine that the updated rates will not become effective until the day after the last public meeting in June, consistent with past Commission decisions. CREA has reviewed the detailed comment letter of the Renewable Energy Coalition and agrees with the points made therein without repeating them in full here.

We comment briefly to further stress the importance of regulatory predictability. Unpredictable rate changes lead to qualifying facility (“QF”) developers being caught short without a finally executed contract containing the rates upon which they based their efforts to develop a QF. That causes a significant increase in disputes between QFs and utilities because, among other undesirable results, the QF may hastily enter into an agreement without finalizing all the details or it must engage in contested case litigation over whether it perfected its right to a legally enforceable obligation prior to the rate change. The Commission has recognized the value of regulatory predictability in the rate changes. The May 1 Update was created for the twin purposes of preventing the rates from becoming stale *and* providing predictability as to the time each year that the rates will change.

Two years ago, during the first round of May 1 Updates after Order No. 14-058, CREA advocated for a predictable update where the rates would take effect on July 1 each year – a point that was ambiguous in Order No. 14-058 itself. The Commission did not adopt the July 1 date as the per se effective date each year, and instead stated that the rates would take effect the day after

the last public meeting in June each year. When the Commission makes such a determination, interested parties expect consistent application of that precedent. PGE has sought to undermine that predictability with its filing this year by requesting an effective date of May 17, 2017.

Notably, in past years, PGE has made intentional and unintentional changes to the rates in the May 1 Update that reached the beyond the permissible scope of rate components allowed to be updated in the May 1 Update. These errors were uncovered only with careful investigation of complicated work papers. Thus, CREA is concerned there could be similar intentional or unintentional mistakes in this year's filing that could escape detection by the Commission's Staff or QF advocates if the rate update is implemented in a hasty fashion.

Aside from the fact that all interested parties have been unable to complete a review of PGE's filing at this time, PGE's proposal should be rejected because it undermines the predictability of the Commission's actions that interested parties expect when they invest their time and financial resources into a QF development. For the reasons explained herein, CREA requests that the Commission confirm that PGE's rate change will become effective the day after the last public meeting in June and provide additional opportunity to comment on the substance of PGE's filing prior to that time.

Sincerely,



Gregory M. Adams

Attorney for the Community Renewable Energy Association