

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1758

In the Matter of

OREGON PUBLIC UTILITY COMMISSION

Report to the Legislature on Incentives
for Development and use of Solar
Photovoltaic Energy Systems.

Renewable Northwest’s Informal
Comments on Appendix A to the
Commission’s Draft Solar
Incentives Report

I. INTRODUCTION

Renewable Northwest is grateful for the opportunity to comment on Appendix A to the Commission’s Draft Solar Incentive Report (the “draft report”). These brief comments will address two issues: 1) the funding source identified in Appendix A for solar net energy metering (“NEM”); and, 2) Appendix A’s characterization of the intended use of the public purpose charge in the description of the Energy Trust of Oregon (“ETO”) Solar Program.

**I. IDENTIFYING RATEPAYERS AS NEM FUNDING SOURCE PREJUDGES THE
OUTCOME OF UM 1716**

Current language describing NEM in Appendix A assumes a cost-shift from ratepayers who are not participating in NEM to those who are. The NEM “Quick Facts” section of Appendix A identifies NEM’s funding source as “Ratepayers”. This language is partially an artifact of the draft report characterizing NEM as an incentive—and therefore in need of a “funding source”—rather than as a billing mechanism. Nevertheless, UM 1716 Investigation 2, was set up to determine the extent of cost-shifting, if any, between participating and non-participating solar net-metering customers.¹ To imply that one of the two groups of ratepayers involved in NEM—general ratepayers and the participating customer who owns or leases the solar facility—is somehow funding the other prejudices the outcome of UM 1716. Renewable Northwest recommends either removing the “Funding Source” from the “NEM Quick Facts” or adding “Participating Solar Net Metering Customers”.

¹ UM 1716, Staff Status Report to ALJ (Dec. 22, 2014), available at <http://edocs.puc.state.or.us/efdocs/HAH/um1716hah14622.pdf>

II. PUBLIC PURPOSE CHARGE FUNDS DO CONTRIBUTE TO RPS COMPLIANCE

Appendix A incorrectly states that public purpose charge funds directed towards renewable resource development do not support the utilities in meeting their Renewable Portfolio Standard (“RPS”) obligations. Appendix A currently states:

In 2007, through SB 838 the focus of the Energy Trust Renewables Program was narrowed to funding projects of 20 megawatts or smaller in size. *This was done to separate the public purpose charge use from the utilities’ obligation to meet the state’s RPS requirement.* [Emphasis added].

Appendix A’s language implies that public purpose charge funds do not contribute to the utilities’ RPS compliance requirements.

However, public purpose charge funds do contribute to the utilities’ RPS compliance requirements. In fact, the ETO takes ownership of a certain proportion of Renewable Energy Credits (“RECs”). These RECs are then used by the utilities to comply with the RPS. As described by the ETO:

When Energy Trust provides funding for a renewable energy project, it takes title to a share of the project’s RECs proportional to its share of the above-market costs and in relation to the market value for those RECs.²

The ETO’s 2015 REC Report goes further, and quantifies the contribution to the utilities’ RPS compliance:

Energy Trust has master agreements with PGE and Pacific Power that specify allowable uses for RECs that are transferred to them, *including RPS compliance* and several other uses that are considered to benefit ratepayers, including selling RECs. The RECs from Energy Trust represent a small percentage of the utilities’ RPS obligations, ranging from 2.3% to 5.1% depending on the utility and the year.³ [Emphasis added].

Renewable Northwest recommends that future drafts of Appendix A include language clarifying the use of the public purpose charge in the context of RPS compliance.

² Energy Trust of Oregon, “What are Renewable Energy Certificates? And how do they work with Energy Trust Incentives,” available at <https://energytrust.org/shared-resources/info/green-tags.aspx?src=renewable-energy>

³ Energy Trust of Oregon REC Report (Mar. 23, 2015), p. 5, available at http://assets.energytrust.org/api/assets/reports/REC_Report.pdf

I. CONCLUSION

Once again, Renewable Northwest is grateful for this opportunity to comment on Appendix A to the draft report.

RESPECTFULLY SUBMITTED this 18th day of August, 2016.

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