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Portland, Oregon 97232

September 30, 2016

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-1166

Attn: Filing Center

Re: Docket UM 1758—PacifiCorp's Comments on 2nd Draft Report

PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) appreciates the opportunity to provide these comments on the Public Utility Commission of Oregon's (Commission) second draft report to the legislature evaluating programs that incentivize the development and use of solar photovoltaic (PV) energy systems available in Oregon (the Report). The Company continues to agree generally with the conclusions and recommendations contained in the Report, as well as the factors and principles providing the framework that the Commission used in developing its recommendations. The Company's comments on the three recommendations made in the Report follow.

Taxpayer-funded Incentive Programs

The Company continues to agree with the Report's distinction between ratepayer funded incentives and taxpayer funded incentives. The recommendation that taxpayer-funded incentive programs should support programs that spur residential and small commercial solar PV developments to capture the full social and economic development benefits of solar PV is consistent with this distinction and appropriately allocates costs and benefits of incentives.

Net Energy Metering

The Company continues to agree that changes to Oregon's net energy metering (NEM) is appropriate and timely. The Report recommends that the method used to determine compensation for net metering be the same as the method used for the community solar program authorized under Senate Bill 1547. The Report further clarifies the Commission's intent to open a separate proceeding to implement the use of value of solar rates for utility customers with solar generation after completion of the Resource Value of Solar (RVOS) docket. The Company notes that the calculation and application of the RVOS is currently under investigation and the complexities involved are still being identified and addressed. The Company acknowledges that RVOS may be different for each application. Providing utilities ongoing flexibility in implementing the technical aspects of the program, as well as in calculating and applying the appropriate value of solar to the program will help ensure that customers of consumer- and investor-owned utilities will continue to have an option for a solar PV agreement with their utility and that concerns over cost shifting are addressed.

UM 1758
Public Utility Commission of Oregon
September 30, 2016

Energy Trust of Oregon (ETO) Solar Incentive Program

The Company supports the recommendation to review the application of public purpose charges to fund the most efficient and most effective use for solar projects. PacifiCorp is interested in working with stakeholders to define and identify high-value applications as outlined in the Report. The Company notes that defining high value will have an impact on identifying and providing high value locations for these applications.

PacifiCorp agrees that changes in the use of public purpose charges may need to be considered to reprioritize the Energy Trust of Oregon's use of the limited public purpose charges.

Please direct any questions regarding these comments to Natasha Siores at (503) 813-6583.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bryce Dalley", with a long horizontal flourish extending to the right.

R. Bryce Dalley
Vice President, Regulation