



Bureau of Planning and Sustainability
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September 30, 2016

Via Electronic Filing

Public Utility Commission
Attn: Filing Center

PUC.FilingCenter@state.or.us

Re: Second Draft of UM 1758 Report to the Legislature on Incentives for Development and Use of Solar Photovoltaic Systems. Open via House Bill 2941.

Dear Filing Center:

Enclosed for filing in the above-referenced docket are the City of Portland's comments in response to the second draft solar incentive programs report. Please contact me if you have any questions. Thank you for your assistance in this matter.

Andria Jacob
Senior Manager, Energy Programs and Policy
City of Portland Bureau of Planning and Sustainability



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September 30, 2016

To: Oregon Public Utility Commission
Re: Comments from City of Portland in response to UM 1758 Second Draft Solar Incentives Report

Dear Honorable Commissioners:

The City of Portland appreciates the opportunity to comment on the Oregon Public Utility Commission's second draft of the solar report under development for the Oregon Legislature as required by House Bill 2941 (2015).

The second draft is a welcome improvement in tone and accuracy. The section on Oregon's energy landscape provides helpful context. However, the City of Portland is concerned that the recommendations provided by the Commission to the Legislature remain premature and prejudicial.

The Commission has heard numerous comments noting that the Resource Value of Solar (RVOS) docket (UM 1716) is a critical proceeding that will inform how Oregon moves forward with solar incentives, programs and policy. In Order 15-296, the Commission specifically and rightly noted "there could be many potential policy and ratemaking uses for the resource value of solar, and in this order we are not prejudging potential future uses." Portland concurs with parties that have suggested that neither the RVOS, nor its potential uses, should be prejudged in this report. It is too early to suggest the modification or removal of net-metering in favor of RVOS, when UM 1716 is still open and there is not yet agreement on the RVOS methodology.

Portland does not concur with the Commission's assertion that the solar market is too confusing for customers to navigate. Solar installers are adept at communicating the interplay of the ITC, RETC and Energy Trust incentives. Portland, along with Energy Trust and other market actors, have spent years honing messaging and marketing to effectively promote solar to residents and businesses. Maintaining consistency in the incentive structure is a prerequisite for clear consumer messaging.

Oregon's incentives, along with net-metering, constitute a successful foundation from which the Oregon solar market has made the impressive strides it has. However, at one percent of Oregon's energy mix, solar is not yet a fully mature industry. And as other parties have noted, it will take longer for solar in Oregon to reach grid parity than in other parts of the country. Residential PV in Oregon will continue to have above-market costs for some years to come. The Commission's recommendations will contribute to a contraction of the solar market, not an expansion. The Commission's recommendations do not rest on adequate analysis or data.

Portland supports the Commission's recommendation to adopt taxpayer-funded incentive programs to capture the social and economic benefits for all Oregonians. However, Portland concurs with the Oregon Department of Energy's comments that the Commission may want to distinguish between social and economic benefits that do address the external costs of the utility system (like greenhouse gas emissions) versus those that do not (like economic development.)

Thank you for the opportunity to provide feedback on this report. The City of Portland is committed to continue working in collaboration with the Commission and other parties to refine this important work.

Sincerely,



Andria Jacob
Senior Manager, Energy Policy and Programs
City of Portland Bureau of Planning and Sustainability



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