



August 10, 2016

***Via Electronic Filing***

Public Utility Commission of Oregon

Attn: Filing Center

[PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us)

RE: Docket UM 1758 - Report to the Legislature on Incentives for Development and Use of Solar Photovoltaic Energy Systems. (Open via House Bill 2941 (2013)).

Dear Filing Center:

Enclosed for filing in the above-referenced docket are comments from the League of Oregon Cities to the draft solar incentives report.

If you have any questions, please contact Tracy Rutten at the League of Oregon Cities.

Sincerely,

Tracy Rutten  
Intergovernmental Relations Associate,  
League of Oregon Cities  
[trutten@orcities.org](mailto:trutten@orcities.org)  
503-540-6576



**To:** Public Utilities Commission of Oregon  
**From:** Tracy Ruttan, League of Oregon Cities  
**Date:** August 10, 2016  
**RE:** Written Comments on Docket UM 1758 - Report to the Legislature on Incentives for Development and Use of Solar Photovoltaic Energy Systems

On behalf of Oregon's 241 cities, the League of Oregon Cities appreciates the opportunity to provide written comments on the recently released draft solar incentives report.

***Energy Trust of Oregon Solar Incentive Program:***

We are still in the process of gathering feedback from our members on some of the specific recommendations contained within the draft report but would like to relay some of the concerns we have received from a number of cities over the impacts that this report could have on valuable incentive programs offered through the Energy Trust of Oregon (ETO) that are utilized by local government entities. A number of cities have expressed that they would be very unlikely to invest in city solar projects without some external financing component. The draft report fails to address how entities without a tax liability, including local governments and the taxpayers they serve, benefit from such incentives. Further, the report fails to take into consideration the return on investment (ROI) for investments in solar and how incentives impact the ROI. We believe that such an analysis would demonstrate the value of incentive programs and support our belief that, under some scenarios, investments in solar would not be feasible without some form of incentive.

We do not believe that the data sufficiently supports the notion that above-market costs associated with solar investments have decreased adequately to warrant the recommendation for ETO to modify use of public purpose charge funds in a manner that would only target solar applications that provide "unique benefits" to the utility system, or to help reduce the soft costs of solar energy. We feel this is a significant policy recommendation that warrants careful consideration as it could result in a reduction in solar investments by government entities among others.

***Solar Net Energy Metering:***

We also appreciate the opportunity to express concerns over the proposed recommendation for a "solar metering program" that values energy generated by a customer and used to offset the electricity delivered to the customer using the location and utility specific "resource value of solar". Again, this

recommendation represents a significant shift in policy on net metering that could have an impact on our members who may engage in such projects in the future.

***Additional Comments:***

The draft report indicates that recommendations should not be based on programs that were recently adopted or revised by the legislature, or those programs that are offered through the Oregon Department of Energy that are currently under review by the legislature. At the same time, the draft report does take into consideration, and is consequently narrowed by, the recent increase to Oregon's renewable portfolio standard that was enacted by the legislature during the 2016 legislative session. The draft report notes that "this increase in resource diversity as part of our electricity mix further reduces the need to provide financial incentives."

HB 2941 (2013) directs the PUC to evaluate Oregon programs that incentivize the development and use of solar photovoltaic (PV) energy systems and recommend the most effective, efficient and equitable approach to incentivizing the development and use of solar PV energy systems in this state. In order to successfully achieve that mandate, we believe that a more comprehensive review of all incentive programs, including the social, environmental and economic value, is necessary. In light of recent significant policy changes and ongoing discussions that may have impacts on solar incentives in Oregon, it seems that the timing of this report is flawed and aims to analyze just one piece of a larger picture. We encourage the PUC to take into consideration that long-term policy recommendations may not be appropriate during a time of overall policy instability.

Again, we appreciate the opportunity to provide comments and hope to be able to continue engage in this process as it moves forward and as we hear additional feedback from our members.