Oregon
Kate Brown, Governor

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May 25, 2016

UM 1020 Stakeholders

RE: 2016 Staff Review of Use of Voluntary and Ratepayer Funds for Renewable Projects

Dear Stakeholders,

On March 28, 2016 the Oregon Public Utility Commission (OPUC or Commission) released Order No. 16-123. It directed Commission staff (Staff) to revisit the appropriateness of commingling funds collected from ratepayers participating in the electric utilities' voluntary grant funding programs. The funds for these grants are contributed by ratepayers through PGE's Schedule 7 and 32 and Pacific Power's Schedule 211 and 212 for renewable energy projects. Subsequently in Order No. 16-156, the Commission:

- Clarified the meaning of key terms used in Order No. 16-123.
- Temporarily suspended all ratepayer funding by Energy Trust of renewable energy projects that also utilize a utility's voluntary grant funds, except a small list of grandfathered exceptions already in progress.
- Provided its rationale for the suspension of commingled funding.
- Confirmed that Staff will initiate a review of commingled funding in the spring of 2016.

This letter proposes Staff's schedule for conducting its review and also poses some questions that stakeholders may want to address at the first Staff-Stakeholder workshop on June 9, 2016 at 1:30pm in the Commission's Hearing Room (201 High St., Salem OR 97308). Note that the Commissioners will not be attending this workshop. Written comments will also be accepted as part of this process and can be sent at any time. Staff will post all comments received to the Commission's website for Docket UM 1020.

The goal of this review is for Staff to present its analysis and recommendations for the Commissioners' consideration at the August 2, 2016 public meeting.

Proposed Schedule

Date	Activity
5/25/16	Letter re-released with schedule and key questions
6/9/16	Staff-Stakeholder workshop to receive input
6/24/16	Draft Staff memo released for Stakeholder comment
7/22/16	Final Staff public meeting memo published
8/2/16	Public Meeting, Commission Review

Questions to Consider When Drafting Stakeholder Comments

- PUC Staff has identified the following general ratepayer funds used to support small scale renewable projects:
  - Public purpose funds directed to Energy Trust's renewable programs.
  - PURPA QF power purchase agreements (renewable and standard rates).
  - Utility owned and rate based projects.

  Are there other ways in which general ratepayers support small scale renewables and that should be considered within the scope of this review?

- What is the intended purpose of voluntary program grant funds?
  - How does this purpose differ from that of general ratepayer funded renewable programs?

- When funds are "commingled" for a specific project, is the intended purpose of either fund compromised?

- Under what circumstances does combining voluntary and general ratepayer funds lead to additional benefits for voluntary and all ratepayers that could not have been achieved with one or the other fund?

- Should ratepayers that choose to participate in a voluntary program expect that their voluntary funding is purchasing new renewable resources that are entirely additional to those renewable resources procured using or supported by general ratepayer funds (into which they also contribute)?

- How does commingling of funds impact the administration of individual funds for specific projects and for reporting purposes for each fund?

- New legislation introduced several new policies that could impact small scale renewable development, including community solar, a new small scale capacity goal, and a larger RPS requirement. In light of existing and new policies, how can voluntary and general ratepayer funds be optimized to meet requirements at least cost while providing opportunities to exceed requirements when customers prefer to do so?

Written comments responding to any or all of these questions should be sent to JP Batmale at the email address below. For future correspondence on this topic, Staff will use the service list for UM 1020. To be notified of upcoming events related to UM 1020 please add yourself to the docket service list by sending an email to PUC.FilingCenter@state.or.us or call the OPUC filing center at (503) 378-6678.

Sincerely,

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