

January 21, 2016

Public Utility Commission of Oregon
P.O. Box 1088
Salem, OR 97308-1088

Re: UM 1752 – Comments on Portland General Electric’s petition to revise Schedule 201

Dear Commissioners Ackerman, Savage, and Bloom:

OneEnergy Renewables opposes the filing by Portland General Electric (“PGE”) for a mid-cycle change to the Schedule 201 power purchase prices for qualifying facilities. OneEnergy is a renewable project developer and has been an active party in docket UM 1610. OneEnergy developed the recently-completed Steel Bridge solar project in Polk County (~3 MWdc), and has other qualifying facility developments underway in Oregon.

We support the core points of the comments submitted in this docket by the Community Renewable Energy Association and the Renewable Energy Coalition.

Under established Commission policy, on May 1, 2016 PGE is entitled to make a filing to adjust Schedule 201 rates for the approved pricing factors set out in Order 14-058: (a) forward natural gas prices; (b) wholesale electricity market prices; (c) changes to the status of the Production Tax Credit; and (d) changes based on acknowledged IRP updates. These are the enumerated factors used to inform the regular annual avoided cost updates, and OneEnergy Renewables believed that Order 14-058 settled the issue of when updates will occur. Approval of PGE’s requests would constitute a fundamental change in Commission policy, and would be highly disruptive to renewable energy developers. A core reason the Commission approved the regular annual update is to provide certainty and predictability to developers and utilities.

The door could swing both ways. There have been (and surely again will be) times when the standard offer rates are *too low* because they lag behind increases in natural gas or wholesale electricity market prices. When that happens, is the Commission prepared to *increase* standard offer prices mid-cycle if requested by developers? The Commission has rejected such requests before (see, e.g., Order 07-199) and we believe it is best to not open that door now that the regular annual update process is in place.

The Commission should not entertain PGE’s requested mid-cycle update. May 1, 2016 is a little over three months away. Please direct PGE to follow established Commission policy regarding updates to Schedule 201 rates, and renew its filing on May 1.

Moreover, PGE's filing proposes changes to the rate structure beyond mere "input" updates. PGE proposes to remove on-peak/off-peak price differentials. PGE also proposes to remove contingency reserve costs from the rates. These constitute significant changes to the avoided cost methodology and structure; such changes which should be addressed in UM 1610 or in rulemaking after appropriate notice and comment.

If the Commission does choose to entertain PGE's request, it should delay effectiveness of the new rates for a minimum of 60 days so that those projects with pending PPAs can complete contracting under Schedule 201.

Thank you for considering these comments.

A handwritten signature in black ink, appearing to read 'W Eddie', written over a horizontal line.

William Eddie
President, OneEnergy Renewables