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Electronic mail

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

RE: **UM 1930 Comments on Staff Report on Bill Credit Rate**

Portland General Electric (PGE) appreciates the opportunity to provide these brief opening comments on the Oregon Public Utility Commission Staff's ("Staff") Report on alternate bill credit rate considerations for Community Solar ("Report"). PGE further wants to complement OPUC Staff for its balanced and well thought-out Report filed on 2/26/2018.

The Staff Report surfaces the complex nature of the decisions that the Commissioners are being asked to make. Determining whether the subscriber bill credit needs to be something other than the Resource Value of Solar is likely the most critical of these decisions. As Staff points out, hundreds of millions of customer dollars may hang in the balance.

While PGE believes that it is important to investigate the size of bill credit that would be required to support a robust Community Solar Project ("CSP"), any alternative that is considered should be informed by the RVOS and supported by good cause as set forth by the legislature. If an amount higher than the RVOS were to be agreed upon, it should be with the intent of reducing the bill credit to the RVOS over time to achieve an appropriate balance between incentivizing consumers of electricity to be owners or subscribers and minimizing costs to non-participating ratepayers. Moreover, PGE does not believe that the CSP must move ahead regardless of the size of the bill credit required to make the program attractive to developers. As Staff points out, the legislation also provides the Commission the authority to suspend the program for good cause.

With regard to timing, it is possible that the RVOS and/or an alternate rate will not be available in time for projects to be completed and take advantage of the full Investment Tax Credit. PGE does not believe that a reduction of the ITC from 30% to 26% will have a material effect on project participation, as it will likely be offset by year-over-year reductions in the cost of solar projects as well as the 5% step downs in the recently imposed Federal solar tariff[1]. We also

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[1] Section 201 Solar Tariffs imposed January 2018. The effective date of the tariffs is February 7, 2018.The tariff level was set at 30%, with a 5% declining rate per year over the four year term of the tariff (see table below).

The proclamation included a 2.5 gigawatt exemption for cells per year, which does not include any sub-quotas for individual countries. The only countries excluded from the tariff are those that the U.S. government deems "GSP-Eligible" developing nations. However, The Philippines and Thailand are not excluded, even though they are GSP-Eligible.

believe that timelines for other critical path elements (precertification of projects, utility interconnection) pose far greater challenges to obtaining the 30% ITC rate than the RVOS. PGE believes that the timing considerations associated with the RVOS are less significant than assuring we get the bill credit right.

Sincerely,

Todd McConachie
Senior Analyst, Rates and Regulatory Affairs

PGH/cc