

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 28th, 2018

REGULAR X CONSENT _____ EFFECTIVE DATE _____ N/A _____

DATE: August 21, 2018

TO: Public Utility Commission

FROM: Seth Wiggins *JPB G. SW*

THROUGH: Jason Elsdorfer and JP Batmale *JPB*

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. AR 622)
Request to open AR 622 for consideration of rulemaking for community-based renewable energy projects.

STAFF RECOMMENDATION:

Staff recommends that the Commission open a docket to consider rulemaking for community-based renewable energy projects, under Oregon Revised Statute (ORS) 469A.210.

DISCUSSION:

Issue

Whether to open a docket to consider rulemaking for community-based renewable energy projects.

Applicable Law

In executing its general powers under ORS 756.040, the Commission "is vested with power and jurisdiction to supervise and regulate every public utility and telecommunications utility in this state, and to do all things necessary and convenient in the exercise of such power and jurisdiction."

Under ORS 756.060, the Commission is authorized to "adopt and amend reasonable and proper rules and regulations relative to all statutes administered by the commission" and to "adopt and publish reasonable and proper rules to govern proceedings and to regulate the mode and manner of all investigations and hearings of public utilities and telecommunications utilities and other parties before the commission."

ORS 469A.210 currently provides:

- (1) The Legislative Assembly finds that community-based renewable energy projects, including but not limited to marine renewable energy resources that are either developed in accordance with the Territorial Sea Plan adopted pursuant to ORS 196.471 or located on structures adjacent to the coastal shorelands, are an essential element of this state's energy future.
- (2) For purposes related to the findings in subsection (1) of this section, by the year 2025, at least eight percent of the aggregate electrical capacity of all electric companies that make sales of electricity to 25,000 or more retail electricity consumers in this state must be composed of electricity generated by one or both of the following sources:
 - a. Small-scale renewable energy projects with a generating capacity of 20 megawatts or less that generate electricity utilizing a type of energy described in ORS 469A.025; or
 - b. Facilities that generate electricity using biomass that also generate thermal energy for a secondary purpose.
- (3) Regardless of the facility's nameplate capacity, any single facility described in subsection (2)(b) of this section may be used to comply with the requirement specified in subsection (2) of this section for up to 20 megawatts of capacity.

This statute was first enacted as part of the Oregon Renewable Energy Act in 2007, commonly referred to as Senate Bill 838, and subsequently amended in 2010, 2016 and 2017, to read as set forth above.¹ "Electric company" as used in ORS 469A.210 has the same meaning as provided in ORS 757.600 per ORS 469A.005.

Analysis

Under ORS 469A.210, by 2025 at least eight percent of the aggregate electrical capacity of all electric companies with more than 25,000 customers in Oregon must be comprised of electricity generated by the sources listed in section (2)(a) and (2)(b). At

¹ Senate Bill 838, Oregon Laws 2007, c. 301, § 24; House Bill 3633, Oregon Laws 2010, c. 68, § 1; Senate Bill 1547, Oregon Laws 2016, c. 28, § 14; Senate Bill 339, Oregon Laws 2017, c. 452 § 1.

present, only Portland General Electric Company (PGE) and PacifiCorp have more than 25,000 customers in Oregon.

For reference as to the potential scope of this mandate, the total installed electric capacity in 2016 was 4,593 megawatts (MW) for PGE and 2,819 MW for PacifiCorp for an estimated aggregate capacity of approximately 7,412 MW, of which eight percent is 593 MW. The manner in which the statute is implemented may result in circumstances where the electric companies either have or have not met the standard of at least eight percent of electric capacity generated from these sources.

By opening a rulemaking the Commission can consider the definition and application of key terms to the affected electric companies. Additionally, if the result of this rulemaking is that more resources will be needed, each utility will need time to plan the optimal pathway for meeting the mandate in other forums.

Accordingly, Staff recommends that the Commission open this rulemaking to clarify how the mandate will be evaluated, enabling PGE and PacifiCorp to assess their current portfolios and make any necessary decisions in time for 2025. To focus stakeholder input, Staff will circulate a set of questions to all parties in August, answers to which will be welcomed at a September Staff workshop. To facilitate a rapid but thorough rulemaking, Staff proposes to draft proposed rules by November 5, 2018, and to provide multiple opportunities for stakeholder and utility input between now and then.

This input and feedback will be critical in this rulemaking. Staff will solicit responses at multiple points in this rulemaking in order to provide the Commission with as much information as possible. It is Staff's hope that interested parties will engage in the process and share their perspectives, in order to provide the Commission with as complete a view of the issues as possible.

Conclusion

In order to clearly define what is meant by community-based, renewable energy projects, and to determine how the mandate in ORS 469A.210 will both be implemented and evaluated, Staff recommends that the Commission open this rulemaking.

PROPOSED COMMISSION MOTION:

Open a rulemaking docket regarding community-based renewable energy projects.