

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

AR 622

In the Matter of  
Rulemaking for Small Scale Renewable  
Energy Projects.

ALJ MEMORANDUM

This memo describes next steps for this proceeding in advance of a rulemaking hearing on February 14, 2019. Commissioners plan to attend the rulemaking hearing, and a special public meeting notice is being issued concurrently with this memo.

**Information Gathering:**

In the last month Portland General Electric Company and PacifiCorp, dba Pacific Power, submitted lists of their current and planned small scale renewable energy projects that may meet the standard in ORS 469A.210. The utilities also completed an Excel matrix designed to show how their compliance positions may vary under different rule options. This information is posted on the Commission's administrative rules website:  
[https://www.puc.state.or.us/Pages/admin\\_rules/index.aspx](https://www.puc.state.or.us/Pages/admin_rules/index.aspx).

At the January 29, 2019 Commission workshop, remaining information gaps were identified. Simultaneously with the posting of this memo, the Administrative Hearings Division (AHD) is reposting an updated version of the Excel compliance template. PGE and PacifiCorp are directed to fill in the blank entries, make any corrections, and send updated Excel files to the filing center by the close of business on February 12, 2019. As noted at the workshop, the purpose of the template is not to precisely identify compliance positions, but rather to generally inform Commissioners about the potential range of outcomes.

PGE and PacifiCorp are specifically asked to:

- Fill in numerator and denominator values for 2018 (which should reflect projects that were online in 2018);
  - Review and confirm the Supply denominator – it should include the nameplate value of all utility resources that meet load but should not include short-term market purchases, and

- Check all numerator values to determine if they reflect the amount of small scale projects that are expected to be online in the given year; and
- Insert a value in the new column to exclude net-metered projects from the larger group of projects without REC ownership.

**Next Steps:**

<b>Event – Formal Phase</b>	<b>Date</b>
Rulemaking Hearing, Special Public Meeting	February 14, 2019, 1:00 pm
Comments Due, Close of Record	February 21, 2019
AHD to post an issue matrix for Commission deliberation	February 25, 2019
Regular Public Meeting, Commission deliberation and decision on key policy decisions	February 26, 2019
Commission to consider revised final rules	March 12, 2019

As noted above, the utilities will file updated copies of the compliance matrix on February 12, 2019. At the rulemaking hearing, the Commissioners may ask questions of the utilities and stakeholders. Stakeholders may provide comment on any issue related to this rulemaking at the hearing. All written and oral comments will be placed in the record of this proceeding. Those presenting oral comments are encouraged also to file a written summary of the oral comments for the record. The close of the public comment period in this matter is scheduled for February 21, 2019 at 5:00 pm.

At the February 26, 2019 Regular Public Meeting, the Commissioners will deliberate on the rules and make decisions on the policy issues. With that direction, AHD will revise the rules as necessary and present revised rules at the March 12, 2019 Regular Public Meeting, when the Commission will review the revised rules and make any additional changes.

**Key Issues:**

In order to provide focus for stakeholders, I am listing the key policy decisions that Commissioners will be focused on as they finalize these rules. This list is not exhaustive, and stakeholders are welcome to comment on any issues related to the rulemaking. This list is intended to highlight significant issues.

- Denominator: demand versus supply values, considering ease of verification, consistency with the statute, symmetry in numerator and denominator, and effect of future supply growth.
  - Demand value criteria: for PacifiCorp, is it more appropriate to use 26 percent of the system peak, or Oregon's peak at the time of system peak?
  - Supply value criteria: how to exclude short term market purchases, for example should there be a test that includes only power purchase agreements (PPA) at least 3 years, or 5 years, or another term, in length? Is the current denominator supply value reflecting PPAs' max output or max coincident with system peak (without adding additional short-term market purchases)?
- Numerator: environmental attribute ownership required or not, considering potential conflict with other states' programs, consistency with the statute, ease of implementation and verification, any unintended consequences with different qualifying facility (QF) contract types or sufficiency/deficiency period.
- Numerator: Any other projects that should be specifically included or excluded, such as net metered projects or community solar projects.
- Program Duration: Continuing beyond 2025 or ending in 2025, considering statutory intent.

Dated this 7<sup>th</sup> day of February, 2019, at Salem, Oregon.



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Sarah Rowe  
Administrative Law Judge