



Oregon Citizens' Utility Board

610 SW Broadway, Suite 400
Portland, OR 97205

(503) 227-1984
www.oregoncub.org

October 19, 2020

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem OR 97301

*Re: October 20, 2020 Public Meeting Agenda Item RA3 – PGE ADV No 20-22,
Schedule 136 Oregon Community Solar Program Cost Recovery Mechanism
Methodology of Bill Credits*

Dear Filing Center:

The Oregon Citizens' Utility Board ("CUB") appreciates the opportunity to comment on Portland General Electric's ("PGE") revised proposal for allocating above-market community solar costs in Oregon Public Utility Commission (Commission) Docket No. UM 1930. On September 3rd, PGE submitted a Supplemental Filing of Advice No. 20-22 for the allocation of Oregon Community Solar Program Costs. PGE's revised filing proposes to allocate bill credits for community solar based on all revenues (generation, distribution and transmission) to cost of service and Direct Access (DA) customers allocated at an equal percent of revenue. CUB believes that is important to have a reasonable methodology to recover above-market bill credits costs from all customers and supports applying the new costs of the community solar programs to DA customers.

This docket is the first to attempt to allocate the costs arising from legislatively mandated programs to DA customers in a nonbypassable manner. CUB is concerned about the potential precedent that approving PGE's revised Community Solar proposal would have for future cost allocation. CUB disagrees with the methodology proposed by PGE in its revised filing. CUB supports allocating this cost on the basis of generation revenues to cost of service and direct access customers.

Parties to the docket have focused primarily on allocation method's impact on DA customers. CUB believes that if the above-market costs were not being allocated to DA customers, they would be allocated on the basis of generation revenues.

CUB would like to draw a parallel between Qualifying Facilities (QFs) and community solar. Under the 1987 Public Utility Regulatory Policies Act, non-utility generators are empowered to sign long-term contracts at “avoided costs” rates with electricity monopolies. CUB understands the goal of PURPA was to enable small power producers to pioneer renewable energy technologies as public policy in the aftermath of the 1970s energy crisis. In recent years in Oregon, QFs have been brought into PGE rates at above-market costs. The costs associated with QFs (which are above market) are recovered based on their generation revenues, not on an equal percent of revenue basis.

If PGE’s revised proposal was approved, the cost of the bill credits (which are a generation cost) would be allocated to cost of service customers on the basis of the marginal cost of PGE’s transmission, distribution, and generation systems. This change shifts costs to from cost of service large energy users to street light customers, residential customers and small commercial customers.

On an interim basis, CUB asks the Commission allocate this cost for all customers on the basis of generation revenue. This is a fair way to allocated this cost for cost of service customers, who are paying for the majority of the bill credit costs. While CUB supports applying the cost of legislatively mandated programs to DA customers, CUB is more concerned about aligning general cost causation principles for cost of service customers. CUB does not agree that a public policy cost should be allocated on equal percent of revenue. Instead, CUB believes the bill credit cost should be allocated between customers’ classes based on the generation function.

Respectfully submitted,

/s/ William Gehrke

William Gehrke
Oregon Citizens’ Utility Board
610 SW Broadway, Ste. 400
Portland, OR 97205
T – 5053.227.1984