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December 8, 2023

VIA ELECTRONIC FILING

puc.FilingCenter@puc.oregon.gov

Re: Oregon Tariff Advice No. 23-09/ADV 1539
Schedule 84 – Customer Energy Production Net Metering

Attention Filing Center:

Idaho Power Company (“Idaho Power” or “Company”) hereby offers these written comments to the Public Utility Commission of Oregon (“Commission”) in relation to Agenda Item No. RA2 of the Public Meeting scheduled for December 12, 2023.

Item No. RA2 relates to the tariff advice filed by the Company on September 15, 2023, to modify Oregon Schedule 84, Customer Energy Production Net Metering (“Schedule 84”). In its tariff advice, the Company is requesting to update, as a matter of procedure, Oregon Schedule 84, which currently only references Idaho Schedule 84, Customer Energy Production Net Metering (“Idaho Schedule 84”), to point to the additional Idaho schedules that interact with the Company’s on-site generation offering: Idaho Schedule 6, Residential Service On-Site Generation, Idaho Schedule 8, Small General Service On-Site Generation, and Idaho Schedule 68, Interconnections to Customer Distributed Energy Resources. Those schedules already exist in Idaho, and the Company’s request to add them was intended to make it easier for Oregon customers to identify the services offered.

As explained below, because the Company offers net metering to its Oregon customers under the rules in place in Idaho, it has provided updates to Oregon Commission Staff on Idaho regulatory activities both prior to and in conjunction with its pending Oregon tariff advice filing. Most recently these updates have related to the regulatory proceeding currently pending in Idaho in which Idaho Power has proposed changes to its on-site generation customer offering, Case No. IPC-E-23-14. The Company believes that the current and proposed offerings are interchangeable such that the successor program would assume the place of its predecessor in compliance with Oregon’s net metering law. Oregon Commission Staff, however, indicated in its Staff Report dated December 7, 2023, that it does not believe the Company’s net metering program, if modified as proposed, would continue to align with the provisions of Oregon’s net metering law. To reach this conclusion, Staff relies on the successor program’s perceived lack of conformity with Oregon’s net metering requirements as well as inapposite legal references. In this regard, Staff’s reasoning is unavailing and unpersuasive especially when one considers the plain language of the applicable statutory provisions and the underlying intent reflected in the direct legislative history and context surrounding Oregon’s net metering law, as more fully set forth below.

Oregon's Net Metering Law

As a result of the Company's tariff advice, a number of stakeholders have expressed consternation with the regulatory treatment afforded Idaho Power; as both the Oregon Commission and Commission Staff know, Idaho Power is not subject to Oregon's net metering rules,¹ but instead offers net metering services to its Oregon customers pursuant to the rules adopted by the Idaho Public Utilities Commission. This carveout is delineated in the Oregon Commission's administrative rules² but ultimately stems from Oregon's net metering law, codified at ORS 757.300. When that statute was enacted in 1999, one of the driving forces behind it was the lack of clear procedures or standards in Oregon for homeowners that wanted to interconnect to the electrical grid, leading to inefficiencies and creating safety and reliability concerns. House Bill (HB) 3219, which was ultimately adopted into law as ORS 757.300, was advanced to help streamline and simplify the process by establishing uniform standards that would also ensure safety, reliability, and system power quality.³

During the public hearing on the HB 3219 held on March 31, 1999, a representative for Idaho Power explained that unlike Oregon, Idaho already had a process in place to enable customer self-generation and expressed concern with the original form of HB 3219 based on the Company's unique circumstances. The meeting minutes describe the testimony offered by Idaho Power's representative as follows:

Explains Idaho Power has a net billing tariff in place. Adds the tariff includes an additional charge to customers who use net billing, which reduces revenue losses to Idaho Power. Comments that customers of Idaho Power can generate their own electricity, reduce their consumption, purchase backup service, or sell the output of their generating facilities at market base prices.⁴

As a result of this concern, the Committee Chair recommended that the Company work with the Oregon Commission on amendments that would accommodate Idaho Power's situation. Idaho Power's representative presented the result of those discussions to the Senate Public Affairs Committee at the Public Meeting on June 30, 1999, as summarized in the meeting minutes:

. . . Idaho Power has a system similar to net metering in place. Says he submitted the . . . amendments . . . to allow "a substantial equivalent offset" as an alternative to net metering . . .⁵

Idaho Power's proposed amendments to ORS 757.300 helped to address the disparate impact, inefficiencies, and unnecessary burdens that would result if the Company was required to have two sets of rules for net metering. At the same time, the provision satisfied the intent of

¹ See, e.g., *In the Matter of Public Utility Commission of Oregon, Rulemaking to Adopt Rules Related to Net Metering*, AR 515, Staff's Opening Comments at 2 (Apr. 11, 2007) and Order No. 07-319 (Jul. 24, 2007).

² Oregon Administrative Rules, Public Utility Commission, Chapter 860, Division 39.

³ Pertinent excerpts of the legislative history for House Bill 3219 are attached hereto.

⁴ See Public Hearing Before the House Commerce - Subcomm. On Regulations, HB 3219 at 6 (Mar. 31, 1999) (Comments of John Brenneman).

⁵ See Public Hearing Before Senate Public Affairs Committee, HB 3219-A at 2 (Jun. 30, 1999) (Comments of John Brenneman).

HB 3219 by providing Idaho Power's Oregon customers the ability to offset their energy bills through on-site self-generation and help reduce demand on the grid under a clear process facilitating safety, energy reliability, and power quality. The proposed amendments were summarily adopted in the June 1999 work session⁶ and codified at that time as ORS 757.300(8). The text of the provision, set forth below, has not changed since adopted in 1999 except for a minor numbering change that occurred in 2005:

Notwithstanding subsections (2) to (8) of this section, an electric utility serving fewer than 25,000 customers in Oregon that has its headquarters located in another state and offers net metering services or a substantial equivalent offset against retail sales in that state shall be deemed to be in compliance with this section if the electric utility offers net metering services to its customers in Oregon in accordance with tariffs, schedules and other regulations promulgated by the appropriate authority in the state where the electric utility's headquarters are located.⁷

Idaho Net Metering

Idaho Power has voluntarily provided its customers in Idaho the ability to offset their energy usage through a series of successive offerings over the last forty years. As contemplated under ORS 757.300(9), the Company has offered net metering services consistently between its Oregon and Idaho jurisdictions pursuant to its Idaho tariffs, schedules, and regulations as set forth in Oregon Schedule 84. Meanwhile, the Company's efforts to modernize the existing compensation structure and establish a more sustainable offering to on-site generation customers that is fair to all customers has resulted in a long series of customer-self generation dockets in front of the Idaho Commission. In order to lay the groundwork for anticipated changes to the compensation structure the Idaho Commission took a number of preliminary steps including, in 2019 and 2020, establishing criteria to define legacy treatment for existing systems.⁸

The primary objective of the Company's net metering program has always been to provide customers the opportunity to eliminate some or all of their load through their own generation, but the current mechanism is outdated and ill-suited to that end. In order to ensure on-site generation can continue to thrive, the Company's net metering program must be updated so that it is better aligned with current circumstances, economically supportable, and fair to all customers. To that end, the current iteration of the Company's net metering offering is under consideration by the Idaho Commission as a result of the Company's recent request to modify the compensation structure applicable to non-legacy on-site generators in Case No. IPC-E-23-14, and a decision is forthcoming. Throughout the case history in Idaho, Idaho Power has endeavored to keep

⁶ See *id.*

⁷ ORS 757.300(9).

⁸ *In the Matter of the Application of Idaho Power Company to Study the Costs, Benefits, and Compensation of Net Excess Energy Supplied by Customer On-Site Generation*, Case No. IPC-E-18-15, Order No. 34509 at 14-15 (Dec. 20, 2019) and Order No. 34546 at 8-11 (Feb. 5, 2020); *In the Matter of Idaho Power Company's Application for Authority to Modify Schedule 84's Metering Requirement and to Grandfather Existing Customers with Two Meters*, Case No. IPC-E-20-26, Order No. 34854 at 12-13 (Dec. 1, 2020) and Order No. 34892 at 9 (Jan. 14, 2021). See Attachment 1 to the Company's Tariff Advice for the case history that established legacy criteria.

Commission Staff apprised of activities that could ultimately impact customers in the Company's Oregon service area, including providing notice and explanation both prior and subsequent to its most recent customer self-generation docket in Idaho. The changes the Company proposed in its Idaho Application, if approved, would impact existing Oregon on-site generation customers who are "non-legacy," of which there are presently around 150, as well as future customers interconnecting an on-site generation system, though it should be noted that adoption of generation technologies remains low by Idaho Power's eastern Oregon customers, in part because of the Company's nationally competitive energy prices.

To ensure transparency for Oregon customers that may be impacted by the proposed changes, the Company notified Oregon customers of its most recent filing in Idaho and provided information on opportunities to offer input and participate in the Idaho proceeding. Idaho Power has also continually updated its website and communication materials to indicate pricing and compensation structure can change as a result of regulatory approval. In addition, non-legacy customers, including the approximately 150 non-legacy Oregon customers, have been required to complete the Customer Generator Application, which includes the following customer acknowledgement:

___ I understand that the net metering program design is subject to change including, but not limited to, the interval length over which netting occurs, compensation for excess generation and the interconnection requirements for on-site generation systems.

Application of ORS 757.300

At the Staff workshop held on December 6th, a number of stakeholders suggested that if the Company's proposed changes are approved by the Idaho Commission in IPC-E-23-14, the Company would no longer be offering "net metering services or a substantial equivalent offset against retail sales" and so would not satisfy ORS 757.300(9) moving forward. The implication of such an interpretation would be that Idaho Power would be required to administer a separate net metering program, incongruous with its Idaho offering, for the small number of existing Oregon on-site generation customers who are "non-legacy," and any future customers interconnecting an on-site generation system.

The Company disagrees with the concerns voiced by the stakeholders and believes that their interpretation of ORS 757.300(9) is at odds with both the plain language of the statute and the intent of the Oregon Legislature in enacting it. If the compensation structure is modified as proposed, the Idaho program would continue to meet the definition of "net metering" contained in ORS 757.300(1)(c); the offering would continue to measure "the difference between the electricity supplied by an electric utility and the electricity generated by a customer-generator and fed back to the electric utility over the applicable billing period," albeit the difference would be measured on a more granular basis than currently thanks to advancements in technology that allow for this more nuanced approach. Staff's reliance on the successor program's perceived non-conformance with the requirements of ORS 757.300(3) as evidence that it does not qualify as "net metering services" under the exemption is inapposite and based on circular reasoning; if the program was designed pursuant to the requirements of ORS 757.300(3), ORS 757.300(9) would not be necessary.

Even if one assumes, *arguendo*, that the program as modified no longer meets the statute's definition of "net metering", it cannot reasonably be said that it is "a not substantial equivalent offset against retail sales." Customers would continue, under the modified program, to offset energy consumed behind-the-meter at the retail rate, and the offering will be functionally similar to the current offering insofar as it will continue to enable customers to offset their usage and reduce or eliminate the volume of energy they consume and be credited for any net excess energy they export. While citation to disparate legal references might be useful when more direct support is not available, we are fortunately not in that position; rather, we are able to rely on the actual context and contemporaneous discussion and exchange that led to the adoption of ORS 757.300(9) to understand how the Oregon Legislature intended for it to be applied.

More specifically, a review of the legislative history indicates that the Legislature's primary consideration in enacting HB 3219 was to establish interconnection standards and ensure that customers had the ability to offset some or all of their energy use with onsite renewable energy generation pursuant to processes that would ensure safety, reliability, and power quality. Because the bill was intended to fill a gap in Oregon that did not exist in Idaho, and considering the Company's small presence in that state, the Oregon Legislature was willing to defer to the jurisdiction of the Idaho Commission on net metering specifics. The Legislature did not look substantively at Idaho's offering, described to the Committee at that time as "a net billing tariff" that "includes an additional charge to customers who use net billing, which reduces revenue losses to Idaho Power,"⁹ nor did it compare Idaho's offering to what was being considered in Oregon. Notably, the Oregon Legislature summarily accepted Idaho Power's suggestion to allow "a substantial equivalent offset" as an alternative to net metering with no discussion or debate. The legislative history makes clear that the Oregon Legislature did not intend for the exemption in ORS 757.300(9) to be narrowly construed or for it to apply only to offerings that mirror Oregon's net metering program.

The Oregon Legislature's approach is particularly apt considering not only Idaho Power's small customer base in Oregon but the particular characteristics of its service area, which spans some of the most remote landscape across eastern Oregon and encompasses 4,744 square miles largely comprised of rural communities. A sizeable number of Idaho Power's Oregon customers live below or near the poverty line. This context is critical to understand that Idaho Power's Oregon customers often have different concerns or priorities than customers in other parts of the state and are particularly sensitive to the inequities in the existing net metering pricing and compensation structure. Under the Company's current net metering offering, the rates charged to net metering customers do not appropriately reflect the value of the service being provided to them and these inaccuracies result in cost shifting between customers who choose to install on-site generation and those who do not, which includes the vast majority of its Oregon customers. Idaho Power is seeking to modify its offering to ensure that non-self-generating customers are not subsidizing the rates for self-generation customers by establishing a compensation structure that accurately measures an on-site generator's use of the electrical grid and fairly and accurately reflects the value of exported energy on Idaho Power's system.

⁹See Public Hearing Before Senate Public Affairs Committee, HB 3219-A at 2 (Jun. 30, 1999) (Comments of John Brenneman).

Similar to the Company's experience in Idaho, the members of the public in Oregon that have chosen to participate in this docket generally disfavor changes to Idaho Power's net metering practice, with common concerns being the high cost they paid for their solar generation system, the impact that the proposed changes would have on the payback period for customers, and unawareness that fundamental aspects of net metering could change. Though Idaho Power is not privy to the details of the bilateral transactions between sellers or installers of on-site generation systems and their customers, a number of stakeholders appear to put the onus on the utility for ensuring the transaction is equitable and economically supportable. This, however, is not within Idaho Power's purview. As a publicly regulated utility, Idaho Power is differently situated than a private seller or installer; it is accountable to the Commission and legally obligated to consider the collective interests of all its Oregon customers and to recommend rates that are just, reasonable, and non-preferential.

Idaho Power understands and appreciates that some customers desire to offset their energy bills through on-site self-generation and help reduce demand on the Company's system; such goals are consistent with the underlying intent of both the Company's current and proposed on-site generation offerings. The Company developed the proposed net metering program changes to establish mechanisms and rates that lead to safe, reliable, and affordable energy for customers, and if its proposals are adopted, the Company believes it will remain in compliance with Oregon's net metering law by continuing to offer such services to Oregon and Idaho customers alike under its successor program. Modifying the compensation structure will not change the nature of the Idaho program such that it would no longer qualify as "net metering services or a substantial equivalent offset" and will in fact help ensure that on-site generation continues to play an important role in the Company's energy portfolio well into the future.

Sincerely,

A handwritten signature in black ink that reads "Megan Goicoechea Allen". The signature is written in a cursive, flowing style.

Megan Goicoechea Allen

cc: Lisa Rackner, McDowell Racker Gibson PC

TAPE 24, A

- 094 Nathan Philips Attorney General. States that HB 2827 would address this issue. Owner, Philips Electric in Eugene; member, Oregon State Electrical and Elevator Board. Testifies in support of HB 2827. Explains that since there are two boards interpreting the Electrical Code, there is some inconsistency. Notes HB 2827 would create a better situation.
- 115 Shawn Miller Lobbyist, Independent Electrical Contractors of Oregon. Testifies in support of HB 2827. Notes that HB 2827 puts authority in the hands of the experts—the Electrical and Elevator Board. Explains the process of code changes.
- 132 Fred VanNatta Lobbyist, Oregon Building Industry Association (OBIA). Testifies in opposition to HB 2827. Remarks that OBIA concurs with the thrust of the issue, but indicates HB 2827 needs some amendments. Notes if this is done, OBIA will withdraw their opposition.
- 146 Chair Witt Asks Gervais if he will be talking with VanNatta about HB 2827 and the proposed changes.
- 150 Gervais Responds yes.
- 156 Chair Witt Closes public hearing on HB 2827 and opens public hearing on HB 3219.

HB 3219 – PUBLIC HEARING

- 167 Richard Perez Home Power Magazine, Ashland. Testifies in support of HB 3219. States HB 3219 is good for Oregon because the energy and energy systems derived from renewable resources are sold and installed by Oregon businesses. Adds that net metering allows making energy in the summer, sharing it with other people, and then retrieving it for use in the winter. Notes this energy is more expensive than energy purchased from the local utility. Points out the reasons Oregonians would invest in clean energy resources:
- To ensure the environmental consequences of the electricity.
 - Uninterrupted service.
 - Power quality.
- 201 Perez States Oregonians want to cache energy with the utility when it is readily available and then retrieve it at the same price they sold it to the utility. Adds any surplus would return to Oregon, and the systems owner is not compensated. Comments this is not a money-making venture. Relates that, if HB 3219 passes, businesses will grow and new ones will arise to service the new market.
- 235 Chair Witt Asks Perez if the majority of renewable energy systems identified by Perez are on the grid.
- 243 Perez Answers no, and adds that less than 10% are on-grid. Notes no subsidy is needed for the off-grid systems.
- 260 Chair Witt Asks if HB 3219 would be an incentive for other individuals to begin using renewable energy devices.
- 264 Perez Answers yes.
- 266 Joseph Schwartz Joseph Schwartz, tests home power equipment. Testifies in support of HB 3219. States he is attempting to install wind generating equipment

on his property. Adds they have gone through the process to obtain a permit without problems. Explains the next step is reaching an individual agreement with the power company regarding interconnection requirements. Comments this is an inefficient process for the homeowner and the utility because it is done on a case-by-case basis. Reports that net metering is attempting to streamline the process.

- 299 Rep. Jim Welsh District 43. Testifies in support of HB 3219. Comments that consumers want choice in methods of energy. Notes that net metering allows the individual this choice for his own home. Reports HB 3219 creates standardized protocols for consumers to connect to many forms of energy. Adds HB 3219 creates uniform standards for renewable energy systems that ensure safety, reliability, and system power quality. Notes involvement of utilities and safety standards must be considered carefully.
- 350 Rep. Welsh Notes the uniform standards created by HB 3219 will help to lower costs for consumers and encourage market growth. Adds that market expansion should lower costs and lead to more growth in renewable resources. Comments that net metering will allow consumers to return excess power into the electricity grid for use by others and gives them credit against the next month's bill.
- 393 Tom Novick Lobbyist, Renewable Northwest Project. Testifies in support of HB 3219 and presents **(EXHIBIT B)**.

TAPE 25, A

- 010 Peter West Lobbyist, Renewable Northwest Project. Presents testimony in support of HB 3219 **(EXHIBIT C)**. Explains there are no standards in Oregon on how to hook up energy sources. Remarks that this and the administrative hurdles restrict lower energy costs of energy or market growth. Notes that HB 3219 creates high standards relating to safety, energy reliability, and power quality. Adds that net metering involves solving problems and breaking down barriers in order to bring other people on board.
- 041 Cody Explains the amendments from Novick have not been prepared by the Legislative Counsel.
- 046 Novick Explains they hope to come back to the committee for a work session with a consensus from all affected parties.
- 051 West Mentions that the City of Ashland sent a letter of support for HB 3219 **(EXHIBIT B)**.
- 056 Rep. King Asks if there has been any opposition.
- 058 West Answers they are still talking to some parties, but no one has spoken in opposition to HB 3219.
- 060 Chair Witt Notes people have signed up both in support and in opposition to HB 3219, and they should be heard today.
- 061 Frank Vignolia President, Oregon Solar Energy Industries Association. Testifies in support of HB 3219. Explains the world is approaching the peak of oil production, so there is a need to find other energy sources. Notes there is a lack of clear procedures to allow the homeowner to interconnect to the electrical grid.

- 087 Vignolia Reports that HB 3219 is the result of efforts to provide a solution for net metering and to ensure safety of installation and quality of power produced. Explains that the passage of HB 3219 will open the door in Oregon to those who are willing to invest in renewable energy. Clarifies that there is solar energy in Oregon.
- 100 Chair Witt Inquires if any of the witnesses have information regarding the rate of increase of property owners putting renewable energy sources on their property.
- 108 Vignolia Responds there are about 10-20 in Portland people doing this, but the process is slow. Explains the utilities are just learning about this process in Oregon.
- 115 Novick Explains the 10-20 people Vignolia mentioned are actually going through the administrative hurdles to do net metering.
- 117 Chair Witt Clarifies this number does not include everyone who is installing a renewable energy system.
- 119 Vignolia Answers no. Explains they want the process to be done safely and correctly.
- 126 Novick Notes that **(EXHIBIT B)** emphasizes that Ashland adopted a renewable energy policy three years ago and proved it is not a difficult task to accomplish.
- 134 Chair Witt Asks what the typical cost is for a residential homeowner to install a renewable energy system in their home.
- 138 Vignolia Responds the cost is approximately \$10,000 for a one kilowatt system.
- 140 Rep. King Reports that the \$10,000 is on the upper end of the price range.
- 144 West Comments this is true but, in order to meet safety requirements of HB 3219, UL-tested equipment must be used and that the installation is done right.
- 152 Rep. King Asks if there is market acceptance in the future, what might the price decline be.
- 155 West Answers that solar power has dropped 80% in cost over the last 10 years.
- 160 Rep. King Asks if the drop in cost will raise demand and increase volume.
- 163 West Responds they hope to leverage this so the consumers can drive market demand and bring renewable energy prices down.
- 172 Vignolia States they hope to start out small and, as the volume increases, they will be able to reduce the costs. Adds there is a large potential for cost reductions. Comments there is a need for a market to get industries started.
- 190 Richard Perez Notes that Pacific Gas and Electric (PGE) did a survey of the market in their area (Northern California). Comments there was a 32% per year market increase in the use of solar panels.
- 214 Alan Zelenka Power Manager, Emerald People's Utility District in. Presents and reads from testimony in support of HB 3219 **(EXHIBIT D)**. Notes as Oregon grows and more electricity is needed from resources, there will be a need to meet that load. Comments that the renewable resources in

- HB 3219 are reliable. Explains that renewable resources have become much more affordable. Adds there is a need for a statewide interconnection standard which establishes uniformity and simplicity of installations.
- 247 Zelenka States that HB 3219 also creates a standard for safety to protect utility employees and the public. Adds that there should be a statewide standard for how small renewable resources are metered. Notes that HB 3219 offers flexibility for utilities.
- 265 James Whitty Lobbyist, Eugene Water and Electric Board (EWEB). Testifies in support of HB 3219. Explains EWEB has been encouraging local customers to try small scale renewable generation. Indicates HB 3219 will allow publicly elected boards to have local control over setting rates and electrical hookup standards.
- 284 Roger Hamilton Commissioner, Public Utility Commission (PUC). Presents testimony in support of HB 3219 (**EXHIBIT E**). Comments that Oregon is behind in the use of renewable resources. Notes that thermal power plants create reliability problems and are not competitive with new sources of electricity.
- 312 Hamilton Explains there will be more distributed generation as a means of generating electricity. Comments the PUC has some amendments to HB 3219:
- To add fuel cells to the technologies that qualify for net metering.
 - To allow the appropriate governing body to limit the aggregate amount of energy a utility is required to take from net metering customers and generators.
 - To ensure that the authority to alter fees of PUC's municipalities is the responsibility of the appropriate governing body and not of PUC.
 - To adopt standards to protect utility workers' safety.
 - To allow net metering to be applicable to all energy service providers.
- 362 Chair Witt Asks, regarding the second amendment, if the PUC is concerned that additional energy being generated could lead to higher rates for certain customers.
- 391 Hamilton Answers yes. Explains the customer generator would receive the retail rate when it sells back into the grid. Adds there would be a loss of revenue. Notes the energy provided saves the energy utility only the cost of the net generating power, so it would bear the loss of the revenues with respect to the retail rate.
- TAPE 24, B**
- 009 Rep. King Inquires if there was an excess of power generated by energy resources and this impacted rates, would that impact only occur in a no growth environment so other consumption was not picking up the rate. Asks, too, whether there was under performance in terms of low growth would cause higher rates than anticipated.
- 022 Hamilton Answers this is a possibility, but the PUC was only considering the

- difference between the retail rate and the loss of revenue to the utility.
- 028 Rep. King Clarifies if there was growth in consumption, that growth would pick up displaced power.
- 032 Hamilton Answers he believes Rep. King is correct.
- 035 Rep. King Notes that the electrical provider could sell and install the units, possibly creating revenue for themselves.
- 038 Hamilton Answers yes. Comments that there are reliability issues and savings with respect to building large thermal plants.
- 048 Brian Boe Lobbyist, Portland General Electric (PGE). Presents proposed amendments to HB 3219 (**EXHIBIT F**). Notes PGE could support HB 3219 with the adoption of (**EXHIBIT F**).
- 060 Chair Witt Asks what the proposed amendment does.
- 063 Boe Explains the amendment acts as a safeguard against economic displacement among rate payers if a huge amount of energy is generated by net metering and the incentives provided therein.
- 069 Rep. King Inquires if this means it would not be profitable to own a net metering product.
- 074 Cindy Finlayson Lobbyist, PGE. Responds that PGE wants the opportunity to review costs and how they are paid. Adds this is consistent with the authority PGE has on energy efficiency programs. States they would go through a rate-making process with the PGE and review the difference between market rates and retail rates.
- 080 Rep. King Clarifies that the end result is that this would be fair to both parties.
- 086 Finlayson Answers yes.
- 089 Chair Witt Reports the proposed PGE amendments would not prevent someone from installing a renewable energy source on their property. Adds it will allow the PGE to consider if there are rate adjustments are necessary because of the loss of revenue.
- 092 Finlayson Answers yes.
- 094 Rep. King Asks if the amendments from PUC and PGE are compatible.
- 095 Finlayson Answers they are compatible.
- 097 John Brenneman Lobbyist, Idaho Power. Testifies in opposition to HB 3219. Notes he has concerns about HB 3219 in its current form. Explains Idaho Power has a net billing tariff in place. Adds the tariff includes an additional charge to customers who use net billing, which reduces revenue losses to Idaho Power. Comments that customers of Idaho Power can generate their own electricity, reduce their consumption, purchase backup service, or sell the output of their generating facilities at market base prices. Comments he would like to work with the amendments presented.
- 119 Chair Witt Asks if Brenneman has proposed amendments.
- 120 Brenneman States he does not have any amendments, but would like to work with the amendments proposed today.
- 123 Chair Witt Suggests Brenneman work with the PUC and PGE on amendments.

Tape 81, A

080

Chair Starr

Closes the work session on HB 2700 and opens a public hearing on HB 3219-A.

HB 3219-A PUBLIC HEARING

084

Tom Novick

Representative, Renewable Northwest Project. Testifies in support of HB 3219-A. States that the bill would establish a system of "net metering," which encourages investment in alternative energy systems by making them easier to use. Explains that other consumers would be allowed to use surplus energy produced by small, renewable energy systems that flows back into the grid for use. Gives an overview of what the bill does:

- Simplifies the protocol for connecting alternative energy systems in a way that insures quality and safety
- Allows consumers who produce more electricity than they use to receive a credit against their next bill
- Encourages investments in alternative energy systems by simplifying metering and reducing accounting costs

113

Sandy Flicker

Representative, Oregon Rural Electric Cooperative Association (ORECA). Testifies in support of HB 3219-A. Says ORECA had concerns with the A-engrossed version, specifically regarding a requirement for owners of alternative energy sources to have liability insurance. Indicates that a second area of disagreement was over whether credits should be given at wholesale or retail value. Explains that the compromise, embodied in the -A10 amendments (**EXHIBIT H**) was to allow the option of either a meter or an avoided cost process, for which ORECA would provide a second meter without additional billing or metering cost to the consumer.

158

John Brennemen

Representative, Idaho Power. Testifies in support of HB 3219-A. Indicates that Idaho Power has a system similar to net metering in place. Says he submitted the -A9 amendments (**EXHIBIT I**) to allow "a substantial equivalent offset" as an alternative to net metering. Suggests that the amendments be combined (**EXHIBIT J**) by deleting lines 9-15 of page 2 in the -A10 amendments and replacing it with lines 8-15 of page 2 from the -A9 amendments.

200

Chair Starr

Closes the public hearing on HB 3219-A and opens a work session on HB 3219-A

HB 3219-A WORK SESSION

210

Sen. Tarno

MOTION: Moves to AMEND HB 3219-A10 amendments dated 6/30/99 on page 2, by deleting lines 9-15 and inserting lines 8-15 from page 2 of the -A9 amendments.

217

VOTE: 3-0-2

EXCUSED: 2 - Dukes, Wilde

Chair Starr

Hearing no objection, declares the motion CARRIED.

227

Sen. Tarno

MOTION: Moves to ADOPT AS AMENDED HB 3219-A10 amendments dated 6/30/99.

220

VOTE: 3-0-2
EXCUSED: 2 - Dukes, Wilde

Chair Starr
Sen. Tarno

Hearing no objection, declares the motion CARRIED.
MOTION: Moves HB 3219-A to the floor with a DO PASS AS
AMENDED recommendation.

230

VOTE: 3-0-2
AYE: In a roll call vote, all members present vote Aye.
EXCUSED: 2 - Dukes, Wilde

Chair Starr

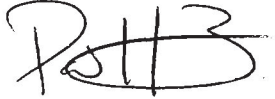
The motion CARRIES.

230

Starr

SEN. STARR will lead discussion on the floor.
Closes the work session on HB 3219-A and adjourns the meeting at
3:20 p.m.

Submitted By,



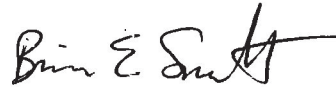
Patrick Brennan,
Administrative Support

Reviewed By,



Sandy Thiele-Cirka,
Administrator

Reviewed By,



Brian Smith,
Administrator

EXHIBIT SUMMARY

- A – HB 2700, -18 amendments, staff, 21 pp.
- B – HB 2700, testimony, Gov. John Kitzhaber, 1 p.
- C – HB 2700, testimony, Bruce A. Bishop, 1 p.
- D – HB 3219, -A10 amendments, staff, 2 pp.
- E – HB 3219, -A9 amendments, staff, 2 pp.
- F – HB 3219-A, hand engrossed, staff, 7 pp.