

June 19, 2015

RE: PGE Advice Filing 15-10

The Oregon Department of Energy (Department) supports the tariff adjustment suggested in Portland General Electric's (PGE) Advice Filing 15-10 and appreciates this opportunity to comment. The Department commends PGE for its dedication to developing a solar-based, local product for its customers. The Department believes this will be a popular product for PGE's customers and fills a niche for a resource-specific portfolio option. The Department, however, recommends in order to further clarify the structure of the program for customers that the Commission define the terms "bundled" and "community solar" as they apply to the voluntary programs.¹

Pacific Power and PGE's voluntary programs are certified by Green-e, a program of the Center for Resource Solutions' which is an independent, third-party verifier that certifies marketing messages as they relate to the content and the resources that are provided under each portfolio option. However, there are limitations to the type of marketing messages that are certified by Green-e. Specifically, there are variations in the definition of "bundled" and "unbundled" between the mandatory and voluntary market and Green-e does not define or verify what constitutes a "community solar" program. The Department appreciates PGE's work to develop a solar-specific offering for its customers, but believes that the Commission should define these terms because customers rely on the messages communicated to them on the structure of these programs to make informed choices.

Inconsistent definitions of "bundled" in voluntary and mandatory programs

Definitions of bundled products exist for the voluntary and mandatory markets, but they define fundamentally different concepts. Unlike the use of the term in the mandatory market, the Green-e the definition of "bundled" indicates that program participants can purchase electricity and Renewable Energy Certificates (REC) from the same entity, not that the electricity purchased and the REC are from the same source. This meets the requirements of the Federal Trade Commission Green Guides, meaning that matching nonrenewable energy with a REC likely meets the consumer expectations of a renewable energy claim.²

However, under ORS 469A.005(3), "bundled" is defined as a REC that is acquired by an electric utility or electricity service supplier by a trade, purchase or other transfer of electricity that includes the certificate that was issued for the electricity; or acquired by an electric utility by generation of the electricity for which the certificate was issued. By defining how the terms "bundled" and "unbundled" are used in the voluntary programs, the Commission would provide clarity to the company on its expectations of marketing claims made for this new portfolio option.

Marketing messages to customers should clearly communicate that this is not a bundled product in the sense that it does not offer customers both the electricity from that project as well as the REC as part of their voluntary purchase. Additionally, marketing messages should not claim or imply that the company engaged in the purchase of the electricity to the defined benefit of the voluntary customers That is to say, the company would have purchased the electricity output of the facility regardless of the involvement of

¹ Per OAR 860-038-0005(2) the Department holds a seat on the Portfolio Options Committee which advises the Commission on the portfolio options. Currently, the Department also serves as the Chair of the Committee. Notwithstanding our Department's dual role, these comments represent the comments of the Department.

² Federal Trade Commission, The Green Guides, <https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-issues-revised-green-guides/greenguidesstatement.pdf>

the voluntary programs. The Department knows the vital importance the involvement of voluntary program can have in building projects, and that in some cases the voluntary program can be the final source of funding that enables projects to happen. However, clarity in this definitional issue will provide customers with a clear understanding of what their purchases have provided to the project and what claims are appropriate for them to make. Specifically, the Department is sensitive to the fact that if the product proposed by PGE in this Advice Filing is marketed as bundled, customers could have the impression that they are purchasing a virtual net-metering product.

Lack of definitions of “community solar” or “community renewables” in voluntary programs

While PGE has not indicated that it plans to market the program as “community solar,” the Commission should ensure that it is not marketed as such. Under ORS 469A.210, there is a statewide goal for community-based renewable energy projects of eight percent by 2025. The detail of this definition is limited only to the generating capacity of a facility. The project selected under PGE’s new program fits this definition. However, the nuance between the terms community-based and community solar has to do with the ownership structure of the project.

A definition of “community solar” was recently published in a report by the Solar Electric Powers Association (SEPA) entitled “Expanding Solar Access Through Utility-led Community Solar” (September 2014).³ In the report, SEPA defines community solar as “a program through which individual members of a community have the opportunity to ‘buy in’ to a nearby solar installation. As part of the buy-in, customers typically receive a proportional share of the financial or energy output of the system.” Following this definition, the report conveys “While often included within the definition of community solar, SEPA considers bulk purchasing or green pricing programs to be separate and distinct offerings with different pricing, participation and program design characteristics.”

The format of this offering will provide customers with the opportunity to purchase RECs in one kilowatt blocks. While this is wholly appropriate for this new portfolio option, the Department wants to ensure that customers understand that the ownership structure of this project varies from the above community solar definition. The Department believes that a definition of “community solar” created by the Commission would be helpful to the company and to customers.

Again, the Department commends PGE for its diligent work to develop this program and appreciates the opportunity to comment.

Sincerely,

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³ Solar Electric Powers Association, Expanding Solar Access Through Utility-led Community Solar, <http://www.solarelectricpower.org/media/214996/community-solar-report-ver5.pdf>, September 2014.