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July 13, 2015

Oregon Public Utility Commission  
121 High Street S.E.  
P.O. Box 1088  
Salem, OR 97308-1088

Re: UM 1020, PGE Response Comments of Renewable Northwest and Oregon Department of Energy Comments to PGE's Advice Filing No. 15-10, Renewable Solar Option

Dear Commissioners:

Portland General Electric writes to respond to issues raised by Renewable Northwest ("RNW") and the Oregon Department of Energy ("ODOE") regarding Portland General Electric Company's ("PGE") Advice Filing 15-10, Renewable Solar Option. PGE thanks both RNW and ODOE for their support of our efforts to develop a local, solar-based, energy product for our customers and their interest in ensuring that claims made regarding the marketing of such a product are transparent, clear and honest regarding the environmental and other benefits that customers may receive from enrolling in the Renewable Solar Option program. We disagree however on two main points: 1) the question of whether PGE's project should be considered "community solar" and 2) whether the electricity and renewable energy credit received by the customer enrolled in the program should be considered a "bundled product."

#### PGE's Renewable Solar Option Program is Community Solar

While there is an effort in policy circles to create a more uniform definition of community solar, PGE does not believe that there is, as yet, such a definition. We would urge the Commission to neither adopt a definition at this point nor to opine regarding marketing claims that may be made or not made with regard to the term. It is appropriate for the Commission to ensure that customers understand the ownership structure of the Renewable Solar Option and PGE is willing to ensure that marketing materials are clear regarding the benefits that are obtained. But the suggestion by ODOE and by RNW that the term is not applicable to this project due to the ownership structure of the project or due to the need of community solar to provide "long-term cost stability and risk reduction" to participants is not well-taken. We believe that focusing on what our offering provides rather than what it is not is the more appropriate position.

We come to this position because PGE does not believe that there is a uniform definition, or even uniform description, of this type of project. These projects are variously termed community solar, solar gardens, shared solar, utility-owned residential solar, community solar gardens, solar assist cooperative gardens, shared renewables,

and a host of other names. They come in sizes ranging from as little as 10kW and as large as 272 MW. They span at least 22 states with different regulatory bodies and entities, public and investor-owned. They number at least 57 different utility offerings and dozens of other private offerings. They are hosted and administered by a variety of entities, including utilities, solar developers, residential or commercial landlords, municipalities, community and nonprofit organizations, and sometimes a combination of those entities. "Community solar models encompass approaches to solar deployment that connect community stakeholders to increase the penetration of renewable energy. Such models include group purchasing, crowd financing and community investment, and donation based models."<sup>1</sup> The National Renewable Energy Laboratory specifically includes in their report, green power purchasing plans through utility or third-party ownership within the broad array of community solar models.<sup>2</sup>

Customers buying into the projects typically have two general options: 1) they can purchase or lease blocks of capacity, and *in some cases* receive a virtual or simulated net metering rate or 2) they can purchase blocks of energy output, measured in kilowatt hours, at a rate that *is sometimes* fixed.<sup>3</sup> Of the utility-programs PGE has reviewed, the vast majority of programs include some form of rate credit or fixed rate, but a credit or fixed rate is by no means a requirement in order to be considered a community solar project. Indeed, the fact that some include a credit and others include a fixed rate argues that one or the other is not a mandatory requirement.

The Solar Electric Power Association ("SEPA") has developed a definition of community solar. As ODOE notes in their comments, SEPA's definition is "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 proportionate share of the financial or energy output of the system."<sup>4</sup> PGE believes that the Renewable Solar Option is consistent with this definition. Customers enrolling in the program receive a proportionate share of the energy output of the Steel Bridge project as evidenced by the retirement, on the customer's behalf, an associated renewable energy credit. In addition, once the output of the system has been sold in capacity blocks, no more subscriptions will be available unless and until an additional solar project is identified and built to meet the demand. We will not allow enrollees to exceed the available capacity of the project.

But SEPA notes that while green power pricing programs and bulk purchasing programs are "often included within the definition of community solar," they consider them to be separate and distinct offerings. However, ODOE does not agree with SEPA on this point because ODOE uses "the term 'community solar' [...] broadly to describe bulk pricing models, such as Solarize, that reduce homeowner or business-owner costs to install solar on their own property."<sup>5</sup>

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<sup>1</sup> See *Shared Solar: Current Landscape, Market Potential and the Impact of Federal Securities Regulation*, National Renewable Energy Laboratory, by Felman, Brockway, Ulrich and Margolis, April 2015, page 1.

<sup>2</sup> *Ibid* at 3.

<sup>3</sup> See *Expanding Solar Access Through Utility-Led Community Solar*, September 2014, Solar Electric Power Association, executive summary at 7.

<sup>4</sup> *Ibid* at 4.

<sup>5</sup> [http://www.oregon.gov/energy/RENEW/Pages/solar/Community\\_Solar.aspx](http://www.oregon.gov/energy/RENEW/Pages/solar/Community_Solar.aspx)

This brings us to an important point: the exception is often the rule when it comes to community solar. The City of Portland, for example, recently offered its “Solar Forward” program<sup>6</sup> which offered a voluntary, donation-based program that the City described as “community solar,” but whose participants received neither renewable energy credit nor energy from their investment. In fact, they received nothing, other than the knowledge that they helped to provide funding for the project.

In Colorado, Clean Energy Collective, working with Xcel Energy, has a number of community solar projects.<sup>7</sup> Interestingly, customers enrolled in those programs do receive a bill credit, but do not receive the environmental benefits<sup>8</sup> because the RECs are used by the utility for compliance with the state’s Renewable Energy Standard.<sup>9</sup>

With such variation, it is hard to understand a suggestion that PGE’s offering does not at least meet some definition of community solar.

#### PGE’s Offering Will Be a Bundled Product

RNW expresses a concern that PGE not identify the Renewable Solar Option as a bundled product and not use the term “shares” in association with marketing the product. ODOE also asks that our communications clearly identify that this is not a bundled product. Both RNW and ODOE rest their assertion on a novel claim that in order to be a “bundled” product that the enrolled customer specifically receive both the electricity and the renewable energy credit.<sup>10</sup> In addition, ODOE is concerned that marketing the product as bundled could have the effect of convincing a customer that they are buying a virtual net-metered product.

Notwithstanding that, PGE is uncertain from a pure physics standpoint<sup>11</sup>, how such a delivery would be accomplished; we believe that adopting such a requirement would actually increase confusion regarding the product. We do not believe ODOE’s concern that using the term “bundled” would imply a virtual net-metered product and we are unclear as to why RNW’s concern that the term meaning different things in different contexts is a problem. Instead of opening up a Pandora’s Box of confusion by inserting new requirements, or by requiring customer communication that could itself be confusing, PGE believes that the Commission can authorize the use of the term “bundled” pursuant to either the state’s current definition of “bundled” or Green-e’s definition, without confusion. As both RNW and ODOE point out per the Green-e standards, if the product a customer receives is “directly sourced from a renewable

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<sup>6</sup> <http://www.portlandoregon.gov/bps/article/365294>

<sup>7</sup> <http://www.coloradocommunitysolar.com/>

<sup>8</sup> Though advertising by CEC would sometimes imply otherwise, e.g., “With community solar, any resident or business can take advantage of solar power.” Ibid.

<sup>9</sup> See 40-2-127, Colorado Revised Statutes

<sup>10</sup> Ironically, because Green-e allows such marketing as noted in RNW’s comments, a Clean Energy Collective solar facility in Colorado can sell solar “Null” power from a community solar system to a customer (because the REC is used by the utility) and bundle it with a wind REC from Texas and offer the electricity as not only a “bundled” product, but also a “renewable” product.

<sup>11</sup> Green-e also notes in the same document that “Because of the physics behind electricity transmission, generators are able to push electricity onto the grid but cannot choose a specific utility or user to deliver that electricity to.” [http://www.green-e.org/learn\\_re\\_faq.shtml](http://www.green-e.org/learn_re_faq.shtml)

generator,” it is bundled. The Renewable Solar Option is parallel. It uses a solar facility the production of which is fed directly into the distribution system of PGE and used to serve our customers.<sup>12</sup> As the contract purchaser of the power and the Renewable Energy Certificates (“REC”), PGE essentially becomes the renewable generator. Thus, the product is bundled. PGE should not be prohibited from using the term bundled merely because there is *another* definition of the term used when null-power is combined with a REC.

Moreover, because the energy used in the Renewable Solar Option is also bundled pursuant to Oregon law, we believe there is less confusion. ORS 469A.005 (3) and (12) defines when renewable energy is bundled or unbundled for purposes of compliance with the Renewable Energy Standard. PGE believes that were we to use the energy from this project to comply with the renewable energy standard, it would qualify as bundled. We purchased the energy and the REC from the same project and have delivered the energy to our system.

In addition, no customer receiving the basic service from PGE, containing a mandatory 15% renewable energy at least 80% of which must be bundled energy, is assigned that REC or specific energy from the renewable generation sources used to comply with the standard. It is sufficient for purposes of compliance that PGE deliver the energy into our system or to a point of delivery for subsequent delivery into our system. A customer would be justified in claiming that they are served by 15% renewable energy without any specific assignation of that energy and REC.

Once again, we are not certain why PGE should be prohibited from using the term “bundled” with this product merely because the energy is also considered “bundled” for purposes of the Renewable Energy Standard. Indeed, we would think that *using* the term would actually reduce confusion.

We appreciate the opportunity to provide these comments for Commission consideration.

Sincerely,



Karla Wenzel  
Manager, Pricing and Tariffs

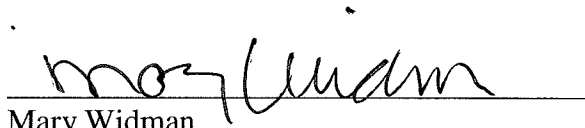
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<sup>12</sup> The Green-e FAQ also notes that “Renewable energy can be sold to residential, commercial, and wholesale customers as RECs or renewable electricity (where the REC is bundled with the actual electricity), and can be purchased from REC marketers or electric service providers, through utility green pricing programs or a broker, or directly from a generator.” There is no requirement, expressed in this statement that the energy is directly assigned to the customer.

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day caused **UM 1020, PGE RESPONSE COMMENTS OF RENEWABLE NORTHWEST AND OREGON DEPARTMENT OF ENERGY COMMENTS TO PGE'S ADVICE FILING NO. 15-10, RENEWABLE SOLAR OPTION** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. UM 1020.

DATED at Portland, Oregon, this 13<sup>th</sup> day of July, 2015.



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