



Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OK 97301-1166

Via Electronic Mail

Attn : JP Batmale
RE : Northwest SEED comments to UM 1020

Thank you for the opportunity to provide input regarding the use of voluntary green power funds and for holding the June 9th stakeholder workshop that explored these issues. We appreciate the staff recommendations and time spent by the Oregon Public Utility Commission (the Commission) on developing guidelines for these funds.

Northwest Sustainable Energy for Economic Development (Northwest SEED), is a regional nonprofit dedicated to creating communities powered by locally-controlled renewable energy. As part of our activities, we are currently contracted as third-party reviewers of applications for both the Portland General Electric Renewable Development Fund (RDF) and the Pacific Power Blue Sky grant process. We don't see any proposed staff recommendations or Commission guidelines significantly changing our roles or responsibilities in these tasks. Thus our comments are related to the opportunity for new community-based projects in Oregon, and the impact that regulatory decisions may have on their viability. We broadly agreed with other stakeholders perspectives during the June 9th meeting.

In regard to the perceived "comingling" of funds between Energy Trust of Oregon (ETO) and voluntary green power customers :

- Northwest SEED recommends that the Commission allow multiple funding sources to be utilized by projects seeking RDF or Blue Sky grants, provided there is adequate accounting and usage of any Renewable Energy Certificates (RECs) generated from the projects.
- We suggest that rules created in this 2016 round of guidelines should be evaluated prior to the next funding cycle based on number of applications and effectiveness of distributing funds.
- There may need to be different nomenclature to describe the relationship between funding sources, and we suggest "complimentary funding" as a more positive framing of the opportunity to use multiple sources of funds.

We will also briefly address some of the general questions from the Commission discussed during the June 9th meeting.



- **Intent, Purpose, and Customer Expectations**

The recipients of funding from these voluntary program funds are typically municipal entities, schools, and non-profits organizations that do not have ready access to some of the other sources that residential and commercial customers. In contrast to many other systems developed in the solar marketplace, these customers typically:

- Lack ability to use Federal and State tax credits
- Are organizations with financial constraints
- Develop projects that would not likely happen otherwise

The intended purpose of the voluntary funds is to provide for additional renewable development that has community or broader social benefit, above and beyond the purchase of RECs required to meet the contractual terms of the green power product. There are differences in the type of projects that are selected, and voluntary green power funds can support educational and outreach goals associated with the projects. While privately owned projects are eligible, the scoring criteria favors projects that serve a broader public interest.

There are numerous other grant programs from United States Department of Agriculture, United States Department of Energy, private foundations, donors and sources of capital that could be used by customers seeking to install solar, and in the application guidelines applicants are encouraged to seek out additional sources of funding. ETO funds (using standard incentives) should be treated similarly to these other sources that are identified in an applicant's grant proposal.

The intended purpose of either the ETO fund or the voluntary green power funds is not compromised by this leveraging of multiple sources. Evaluation of above-market-cost should be done on a technology-wide basis, and is not appropriate for considering the sources of funding for individual projects in these programs.

It is appropriate for voluntary customers to expect that projects with broad benefit be funded additional to ETO incentives, and that those project funds seek to reduce the total cost burden for the project.

- **Administration and Usage of RECs**

These benefits of multiple funding sources are complimentary, and not conflicting as long as RECs are appropriately accounted for. Past oversight from Energy Trust and the utilities has been adequate to ensure this in past rounds of funding, and no significant changes are needed. The guidelines for voluntary funds from the Portfolio Options Committee provide direction that funds should not be used to acquire RECs for regulatory compliance towards Renewable Portfolio Standard (RPS) obligations. For the majority of projects which are net-metered, this is not an issue anyway, as they are currently not creating RECs registered in the Western Renewable Energy Generation Information System (WREGIS). For projects funded by voluntary green power funds that are Qualifying Facilities (QFs), there would perhaps need to be allocation of those RECs based on funding sources. In general, applying RECs on a proportional basis, with clear accounting for allocation, is adequate to ensure the



integrity of both the intent of the voluntary green power program and the REC market.

The administration of voluntary green power funds is vastly more complicated if there are continual iterative checks as to which incentives have been used, and at what amounts. This would complicate the process for applicants, as well as program staff. If standard ETO rates are made available to projects in the voluntary grant program, that simplifies the process.

- **Impact in Light of New SB 1547 Legislation**

Voluntary RDF and Blue Sky funded projects should be able to play a targeted role in meeting some goals of recent legislation passed under SB 1547. The following is a brief list of where Northwest SEED recommends optimizing voluntary green power funds for meeting SB 1547 goals.

- Voluntary green power funds should be made available for community solar projects, especially where used to increase or facilitate low-income participation in these projects.
- Projects funded by voluntary green power customers should be eligible to be counted towards “community-scale renewable” goal, contingent on final definition of that term by the Commission.

Thank you for the opportunity to provide input, and we look forward to the further development of guidance related to these important opportunities for community-scale renewable development.

Sincerely,

Jaimes Valdez
Policy Manager
Northwest Sustainable Energy for Economic Development