March 26, 2019

Via Email

Chair Megan Decker
Commissioner Steve Bloom
Commissioner Letha Tawney
Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, Oregon 97301

RE: Investigation into Interim PURPA Action - UM 2001

Dear Commissioners:

The Renewable Energy Coalition, Community Renewable Energy Association and Northwest and Intermountain Power Producers Coalition submit these comments regarding PacifiCorp's, Portland General Electric Company's and Idaho Power's compliance filings related to Order No. 19-074, in which the Oregon Public Utility Commission (the "Commission") directed electric utilities to file enhanced updated avoided cost prices based on specific following factors. We have not completed our review of the underlying inputs and assumptions due to the limited time to review in combination with other unexpected and already planned Commission proceedings related to the Public Utility Regulatory Policies Act ("PUPRA"), and may submit additional comments after the utilities supporting documents are reviewed. These comments urge the Commission to reject the filings because all three are inconsistent with Oregon's administrative rules, and PacifiCorp's update has exceeded the scope of the Commission's direction in Order No. 19-074.

The Commission is the primary state agency implementing PURPA and implementing Oregon's policy of increasing "the marketability of electric energy produced by qualifying facilities located throughout the state for the benefit of Oregon's citizens" and creating "a settled and uniform institutional climate for the qualifying facilities in Oregon." A key way in which the Commission implements this policy is by regular avoided cost updates consistent with established law. The Commission's policy on when rates would change was adopted after a careful and deliberative process in UM 1610, and recently codified in AR 521. Specifically, rates are to change at specific times (filings after May 1 and integrated resource plan acknowledgement) and specific factors.

The Commission's administrative rules allow one exception to this requirement:

> Upon request or its own motion, the Commission may consider updates to avoided cost rates to reflect significant changes in circumstances including, but not limited to, the acquisition of a major block of resources or the completion of a competitive bid process.

There is no evidence, nor any suggestion that there has been a significant change in circumstances

that justifies the Commission taking action now to lower rates, and the Commission's Order No. 19-074 does not rely upon any. In addition, the new rates for PGE are not a significant departure from current rates. We raised these arguments earlier in this proceeding, but the Commission has not addressed them or explained how its actions are consistent with its established policies, which are codified in its administrative rules and have the force and effect of law.

What is significant, is the permanent and lasting damage to the Commission's established processes and the industry's confidence that it will follow its own rules. The Commission has opened a new PURPA investigation in UM 2000 (while at the same time its last multi-year PURPA investigation in UM 1610 has not yet even completed) and entertained lowering the size threshold for standard rates to 100 kilowatts about a month after just issuing an order confirming that they should be 10 MW for all generation types except 3 MW for solar. What confidence should the renewable energy generation industry have that any policies coming out the new UM 2000 proceeding will last any longer than the current policies that the Commission has been so willing to abandon? At the same time, there are over 50 complaints against PGE in which the Commission is processing at an *extremely* slow pace. The Commission's taking jurisdiction over post-contract disputes while allowing PGE to drag out litigation before the Commission ensures that projects die simply because they cannot get timely access to justice and further emboldens PGE to aggressively kill each project that it can one by one. All of this is in contrast to how the Commission took surprise action and moved at expedited speed to protect the utilities from non-existent harm.

Finally, PGE's and Idaho Power's compliance filings descriptions of the type of updates they are making are consistent with Order No. 19-074, but PacifiCorp's are not and it has recycled for the third time its proposals. PacifiCorp proposes: "additional enhancements it proposed in both its February 12, 2019, and February 25, 2019 comments so that Commission Staff, other stakeholders, and the Commission may consider accepting PacifiCorp's interim adjustments with these additional enhancements." The Commission rejected these arguments in UM 1729 and in Order No. 19-074, and PacifiCorp can make these recommendations in UM 2000. More fundamentally, we don't understand why PacifiCorp is so intent on spending ratepayer dollars to further undermine PURPA in Oregon when it has effectively stopped all new development (except one 200 kilowatt project since September 2016) and caused existing projects to shut down. Given that the Commission just rejected PacifiCorp's arguments, we are not responding to the substance of PacifiCorp's "additional enhancements." However, if the Commission elects to consider these recommendations, then the Commission should provide notice and an opportunity to respond.

In summary, we urge the Commission to follow its administrative rules and reject all three utilities compliance filings, and (if it does not) then at least reject PacifiCorp's "additional enhancements".

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