

February 25, 2019

Via Email

Chair Megan Decker
Commissioner Steve Bloom
Commissioner Letha Tawney
Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398

RE: INVESTIGATION INTO INTERIM PURPA ACTION – UM 2001

Dear Commissioners:

Thank you for the opportunity to provide comments on the proposed interim action that the Oregon Public Utility Commission (“the Commission”) is considering taking with regard to the Public Utility Regulatory Policy Act (“PURPA”). Ecoplexus submits these comments in hopes that they will provide some helpful context for the Commission as it endeavors evaluate avoided costs, interconnection concerns, and other issues surrounding Oregon’s PURPA implementation.

For all the utilities’ hyperbolic warnings of “a run on the bank” and “ratepayer harm” due to a “flood” of partially-executed standard offer PURPA contracts, PURPA development in Oregon is practically non-existent. The Solar Energy Industries Association notes that Oregon has 578 MW of solar installed across 16,544 installations,¹ which translates into an average installation size of just 35 kW: meaning that most of Oregon’s solar market consists of residential and small commercial installations – not PURPA projects. In contrast, North Carolina, a state with far less in the way of green ambitions than Oregon, ranks second in the entire US with 4,671 MW installed across only 8,685 projects², which translates into an average project size of almost 538 kW, thereby demonstrating the prevalence of small utility-scale PURPA projects.

This incredible success was attributable to the fact that, until very recently, North Carolina featured the “Gold Standard” of PURPA regulations: 5 MW standard offer contracts, 15-year contracting terms, and biennial avoided cost updates. Such a high degree of clarity and consistency in the application of the state’s PURPA rules provided for the type of sufficiently stable regulatory environment that developers require in

¹ <https://www.seia.org/state-solar-policy/oregon-solar>

² <https://www.seia.org/state-solar-policy/north-carolina-solar>



order to make the kinds of long-term commitments and major capital investments that are essential to the multi-year process of developing renewable energy projects.

Moreover, this combination of favorable PURPA policies and regulatory stability has paid dividends for the citizens of North Carolina – both as ratepayers and as taxpayers. The independent research group, RTI International, found that over \$10 billion was invested in clean energy development in North Carolina between 2007 and 2016, which contributed over \$12 billion to the gross state product over that same time and resulted in the creation of over 126,000 full-time equivalent jobs.³ And these economic benefits overwhelmingly accrued to the most impoverished areas of the state, with 12 of the most rural counties each seeing at least \$200 million of direct investment.⁴ As for ratepayers, the report estimates \$1.271 billion in retail energy savings over the study period, primarily in the form of reduced expenditures for thermal energy.⁵

Meanwhile, here in Oregon, a mere 47 MW of PURPA projects have been built in PGE territory, the solar industry experienced a decline in jobs for the second year in a row, and PacifiCorp has still not so much as signed a single non-standard offer PURPA solar PPA, while showing blatant disregard for state and federal law by electing to no longer process large portions of its multi-state generation interconnection queue.

Ecoplexus asks that the Commission think deeply about the moribund state of Oregon's PURPA market and how its actions or inactions from here will dictate whether the utilities are allowed to continue their stranglehold on the market independent generation, further depriving Oregon residents of much needed investment, jobs, and tax revenue, or whether PURPA will be unleashed as the incredibly potent tool that it is for combating climate change and driving significant economic development in the poorest regions of the state.

Respectfully submitted,



Nathan Rogers
Director of Project Development – Western Region

³ Petrusa, J., Callihan, R., & Hofmann, J. (2017). *Economic Impact Analysis of Clean Energy Development in North Carolina – 2017 Update*. Pgs. ES-1 – ES2. https://energync.org/wp-content/uploads/2017/10/NCSEA_2017_RTI_Oct.pdf

⁴ Id. 2-5.

⁵ Id. 2-11.

