

UM 1452

ITEM NO. CA2

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 22, 2009

REGULAR _____ CONSENT X EFFECTIVE DATE September 22, 2009

DATE: August 28, 2009

TO: Public Utility Commission

FROM: Theresa Gibney *TG*
li *EB* *EB*
for

THROUGH: Lee Sparling, Ed Busch, and Maury Galbraith

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: Request to Open an Investigation into Pilot Programs to demonstrate the use and effectiveness of Volumetric Incentive Rates for Solar Photovoltaic Energy Systems.

STAFF RECOMMENDATION:

Staff recommends that the Commission open a docket to develop pilot programs that will demonstrate the use and effectiveness of volumetric incentive rates for solar photovoltaic energy systems.

DISCUSSION:

On July 22, 2009, HB 3039 was signed into law. This legislation requires that the Public Utility Commission establish a pilot program for each investor-owned electric company to demonstrate the use and effectiveness of volumetric incentive rates and payments for electricity delivered from solar photovoltaic energy systems. These pilots are intended to apply to solar photovoltaic energy systems that are permanently installed in the State of Oregon by retail electricity consumers and that first become operational after the program begins. The pilot programs must become effective on or before April 1, 2010.

A rulemaking docket (AR 538) has been opened to develop rules to guide the pilot programs with volumetric incentive rates. This rulemaking docket will also establish requirements for the solar photovoltaic capacity standard mandated by HB 3039. The solar photovoltaic capacity standard requires the electric companies to install a total of 20 MW of alternating current capacity by 1/1/2020.

OPUC Staff
August 28, 2009
Page 2

Staff requests that the Commission open a parallel docket to AR 538 to focus on elements of the pilot programs that are best addressed by Commission order.

Within this docket, Staff will conduct workshops with interested participants to develop pilot programs and incentive rates for each electric utility. The first public workshop in this rulemaking is scheduled for September 30, 2009.

PROPOSED COMMISSION MOTION:

A docket be opened to develop pilot programs that will demonstrate the use and effectiveness of volumetric incentive rates for solar photovoltaic energy systems.

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