

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

AR 538 AND UM 1452

In the Matter of)
)
PUBLIC UTILITY) **CLOSING COMMENTS OF**
COMMISSION OF OREGON) **RENEWABLE NORTHWEST**
) **PROJECT AND PARTNERS ON PUC**
) **STAFF'S STRAW PROPOSAL FOR**
Investigation into Pilot Programs to) **FEED-IN TARIFF DESIGN**
demonstrate the use and effectiveness)
of)
Volumetric Incentive Rates for Solar)
Photovoltaic Energy Systems.)

I. Introduction

Renewable Northwest Project (RNP) appreciates the opportunity to provide the following closing comments regarding Staff and parties' opening comments and to address the list of questions and issues posed by the Commissioners. RNP developed these closing comments in partnership with the Citizens' Utility Board of Oregon, the Oregon Solar Energy Industries Association¹, SolarCity, Tanner Creek Energy, enXco, SunEdison, SolarCity, REC Solar, Obsidian Renewables, SunPower, Sunlight Solar, Sunergy Systems, Real Energy Solutions and the International Brotherhood of Electrical Workers Local 48.

II. Capacity Distribution

Generally, we support Staff's strategies to enable the Commission and the legislature to learn which customers and customer segments are motivated by VIR and to establish the efficacy of a VIR. These strategies are to: a) establish data collection and

¹ We note that while the Oregon Solar Energy Industries Association (OSEIA) is in general agreement with these closing comments, OSEIA will be submitting separate supplemental closing comments.

reporting; b) distribute available pilot program capacity, across three sizes of systems; and c) plan a capacity distribution and recommendation checkpoint. We agree with Staff's recommendation to structure the programs in a manner that maximizes the ability to learn how customers are motivated by a VIR and the efficacy of a VIR, but we urge the Commission to also structure the programs in a manner that minimizes the programs' cost to ratepayers.

We are concerned that Staff's proposal to deploy the 25 MW of nameplate capacity over four years could unnecessarily slow "the development of the solar industry in Oregon." (Section 7 of HB 3039). We believe a faster capacity deployment (over the first two years of the pilot programs) would maximize the development of the solar industry in Oregon. Based on our conversations with the Energy Trust of Oregon, we believe this level of deployment is achievable given the current solar market infrastructure in the state. Assuming that the two-year capacity deployment is coupled with our VIR rate digression recommendations, two years is a reasonable timeline to achieve the programs' learning objectives.

We also have several concerns about Staff's proposed system size distribution. Staff has proposed that 50% of the pilot programs be dedicated to small-scale systems, 30% to medium-scale systems, and 20% to large-scale systems. Accordingly, the Staff proposal allocates 12.8 MW to small-scale systems (approximately 1,280 - 4,266 system installations), 7.5 MW to medium-scale systems (approximately 75 - 750 system installations), and 5 MW to large-scale systems (approximately 10 - 50 system installations). Our proposal dedicates 25% of the programs to small-scale systems, 50% to medium-scale systems, and 25% to large-scale systems. Accordingly, our proposal

allocates 6 MW to small-scale systems (approximately 600 - 2,000 installations), 13 MW to medium-scale installations (approximately 130 – 1,300 installations) and 6 MW to large-scale installations (approximately 12 – 60 system installations).

Our first concern with the Staff's proposed system size distribution is that it does not allow for a sufficient number of medium-scale system installations to achieve the pilot programs' learning objectives. We urge the Commission to ensure that the number of medium-scale system installations in the pilot programs is at least in the range of 100 – 1,000 installations. Our proposal achieves this objective and ensures that the programs also have a sufficient number of small-scale installations (600 – 2,000).

Our second concern is that Staff's proposal does not seek to minimize program costs. Based on Staff's analysis and analysis by other parties, small-scale systems will require a higher VIR than medium-scale and large-scale systems. We are concerned that the Staff proposal directing 50% of the program toward small-scale systems will increase pilot programs' costs without significantly improving the findings derived from the program.

Our third concern is that Staff's proposal recommends that only small-scale systems are eligible to participate in Idaho Power's pilot program. While we understand Idaho Power's program capacity is expected to be quite limited in comparison to Portland General Electric's and Pacific Power's program capacity, we believe that both small and medium-scale systems should be eligible to participate in Idaho Power's service territory. The recommended rule changes in our opening comments ensure that the Idaho Power's pilot program is available to both system size categories.

Finally, we are concerned that Staff’s use of the term “smaller” to define systems less than or equal to 10 kW in size is a historical relic in this rapidly evolving market. Given HB 3039’s legislative history and intent, systems less than or equal to 10 kW in size should be defined as “small” or “residential”, not “smaller”. The term “medium” or “small commercial” more appropriately defines systems greater than 10 kW and less than or equal to 100 kW in size – consistent with current market activity in Oregon and other markets across North America. With respect to the types of systems eligible for the 75% goal, the term “smaller” or “residential and small commercial” would suffice. The use of our recommended terms is consistent with legislative intent and pending legislation sponsored by Representative Read (HB 3690) that makes technical changes to HB 3039.

In summary, we urge the Commission to adopt our proposal to deploy the pilot programs’ 25 MW of capacity in two years, to allocate 25% of capacity to small-scale systems, 50% to medium-scale systems, and 25% to large-scale systems, to ensure both small and medium-scale systems are eligible for Idaho Power’s pilot program, and to adopt our recommended terminology. Our proposal is consistent with legislative intent, achieves the programs’ learning objectives, and minimizes the pilot programs’ cost to ratepayers.

III. Net Metering VIR Option for Large-Scale Systems

Upon further discussion with our coalition, we recommend a revision to our proposal, which recommends a Commission-approved Requests for Proposals (RFP) process for 3 MW of annual capacity allocation to large-scale systems. Rather than submit the entire annual capacity allocation to an RFP process, we instead recommend that a portion of the 3 MW of annual capacity allocation for large-scale systems be

reserved for net metering plus VIR applications, with a corresponding VIR rate that applies specifically to large-scale systems.

We believe there are large-scale systems with sufficient on-site load to qualify for the net metering plus VIR arrangement, and we want to ensure that portion of the capacity is reserved for these systems to be able to participate in the net metering plus VIR option. With respect to VIR digression for large-scale systems participating in the net metering plus VIR option, we recommend the Commission employ a VIR digression approach that is the same as our recommendations for medium-scale system VIR digression.

III. Pilot Program Management and Marketing via the Energy Trust of Oregon

We urge the Commission to direct Energy Trust of Oregon (ETO) to be a designated third party manager and marketer of the pilot programs and to direct the Investor Owned Utilities (IOUs) to provide additional funding to ETO for this purpose. ETO has a strong track record of effectively and efficiently managing and marketing solar rebates for systems less than 2 MW in size in IOU service territory. ETO has experienced staff, well-established system quality and diversity standards, and working relationships with solar installers and developers in Oregon. ETO can work with solar installers and developers to recommend VIR rates (and future VIR rate digressions) for Commission approval and can quickly re-tool existing marketing materials and program management standards to ensure the pilot programs' become available to customers as soon as possible. ETO is experienced, independent and efficient. Designating ETO as a third party manager and marketer will help ensure the pilot programs' success.

IV. Contracts with Third Party System Owners

We urge the Commission to adopt rule changes specified in the appendix of our opening comments to ensure that either a retail customer or a third party system owner can contract directly for VIR payments. Our recommendations are in line with ETO's solar rebate program, which transfers the rebates directly to the system owner (either a retail customer or a third party). Alternatively, Staff's proposal only authorizes a retail customer to contract directly for VIR payments. If the customer has contracted with a third party system owner, the customer would need to assign the payments to the third party.

There are two primary benefits to our recommended rule changes as opposed to the Staff proposal. First, our recommendation will likely reduce the cost to systems owned by third parties because the system owner will be the only entity liable for income taxes on the payments. In the case of the Staff proposal, the customer receives the payments and then assigns the payments to a third party, which may require *both* the customer and the third party to be liable for income taxes.

Second, our recommendation will ensure that the utilities contract with the system owner if there is an operational problem that may negatively impact grid reliability. A contract directly between the system owner and the utility should help ensure any operational problems are fixed promptly and efficiently.

V. Responses to Commissioners' Questions and Issues

1. Bidding

We urge the Commission to adopt our proposal to establish a Commission-approved Requests for Proposals (RFP) process and require the IOUs to accept winning proposals with a cumulative capacity equivalent to 1.5 MW of medium-scale systems

annually and 2 MW of large-scale systems annually. As long as the IOUs are in compliance with the Commission-approved RFP process, the costs associated with the winning proposals should be determined to be prudent. If the Commission determines that utility and affiliate-owned systems are eligible for the pilot programs (though we do not recommend this approach), an independent, Commission-approved third party should conduct the RFP.

The Commission-approved RFP process should include prioritization of winning proposals based on proposed VIRs, geographic diversity and system size diversity. Proposals should be required to provide relevant information and sufficient monetary deposits to demonstrate system viability, including a reasonable lump sum deposit based on a specific dollar value per kilowatt of the proposed system, a non-refundable application processing fee, and a demonstration of site control. Proposals could be for a single system or aggregated systems, as long as the cumulative nameplate capacity of any single proposal for the large-scale process is greater than 100 kW or less than or equal to 500 kW in size and as long as any single proposal for the medium-scale process is greater than 10 kW or less than or equal to 100 kW in size.

2. Utility and Affiliate Ownership

We urge the Commission to prevent IOUs or their affiliates from owning and operating eligible projects as qualifying third parties in the pilot programs. We are concerned about a real and/or perceived conflict of interest associated with an IOU rate-basing the pilot programs' above-market costs and then employing those funds to earn income. If the utilities or their affiliates are allowed to participate in the pilot programs then it is all the more important to have the ETO as a third party program administrator.

HB 3039 separately provides utilities an opportunity to install 20 MW of solar systems via the solar procurement standard in the legislation. It is unclear how allowing utilities to participate in the pilot programs provides a public benefit. Requiring Oregon's burgeoning solar industry to compete with the utilities (which are already well established and enjoy a profitable business) in capacity constrained pilot programs is not necessary to achieve the programs' learning objectives and could significantly limit the growth and diversity of the solar industry in Oregon.

3. Net Metering Incentives

We understand some parties concerns about a potential perverse incentive for owners to waste energy under the net metering plus VIR approach. This may be a problem for a small minority of projects. These projects may include net zero homes (where generation potential far exceeds on-site load), vacation homes (where load only exists for a portion of the year) or on agricultural sites with large available space but little on-site load. One way the Commission could address this potential problem is to limit the size of the system installed relative to the consumer's usage. Another tool that addresses this potential problem is to ensure these customers the option to participate in an RFP, since systems eligible for the RFP do not need to be net metered.

4. Market Rate Authority

We are concerned that the time, cost and effort involved in obtaining FERC market rate authority would make that process prohibitively time consuming and costly for small project owners. Importantly, FERC also has no established process that allows a state public utility commission, or any other entity, to obtain blanket authority for groupings of wholesale sellers. More importantly, we do not believe obtaining FERC

market rate authority is necessary for projects participating in either a net metering plus VIR program or projects participating in a RFP.

With regard to the net metering plus VIR approach, such projects are simply not subject to FERC's wholesale jurisdiction and therefore no authorization would be needed from FERC via market rate authority or otherwise. Numerous states, including California, offer production-based incentives to net metered customers without any requirement that participating customers obtain market rate authority. It is simply not necessary.

With regard to a RFP, there are three primary reasons why projects participating in a RFP would not need to obtain FERC market rate authority. First, there is no reason that systems participating in the pilot programs could not certify as a Qualifying Facility (QF) as a means of gaining authorization to engage in wholesale sales as opposed to obtaining market rate authority. FERC's regulations exempt QFs less than 20 MW in size from Section 205 of the Federal Power Act, which is the section of the Federal Power Act that requires entities selling power at wholesale in interstate commerce to obtain either cost-based or market-based pricing authority before engaging in such sales. See 18 C.F.R. 292.601(c)(1). Accordingly, QFs less than 20 MW in size do not need market rate authority to sell power at wholesale in interstate commerce. Second, there is no prohibition against a QF selling at a price above avoided cost. In fact, to the contrary, FERC regulations expressly allow QFs and utilities to agree to a rate other than avoided cost. See 18 C.F.R. 292.301(b)(1). Therefore, a state can establish a procurement target and require utilities to procure through a market-based mechanism, and even if the price paid as a result of the market-based mechanism exceeds avoided cost, a utility and QF may enter the contract without the QF needing separate market rate authority to engage in

sales. Finally, FERC has an open rulemaking (Docket No. RM09-23-000) through which it is considering waiving its QF certification requirements for generators less than 1 MW in size. If FERC adopts its proposal, these generators would still be considered QFs, they just wouldn't have an initial filing obligation. This would allow QF-eligible participants in a RFP to obtain contracts without any administrative prerequisites so long as they meet established eligibility requirements for obtaining QF status.

For these reasons, we believe obtaining FERC market rate authority would not only be prohibitively time consuming and costly for small project owners, it is also unnecessary.

5. Pilot Testing

We believe it will be challenging for the Commission to directly compare the current tax credit/ETO rebate programs to the pilot programs. Any uncertainty in the pilot programs, particularly uncertainty about future VIRs, will likely make the comparison even more difficult. Much of the participation in the pilot programs will likely be a result of customer response to the VIR and associated program structure (i.e. net metering plus VIR and the RFP process).

We recommend that the best way to compare the pilot programs to the tax credit/ETO rebate programs is to: a) ensure the pilot programs have a variety and number of system installations in markets similar to the markets supported by the current tax credit/ETO rebate, b) set initial VIRs at levels sufficiently high enough to result in a significant number of system installations today, and c) establish a market-based VIR digression schedule that is based on real-world market conditions with the best market data that can be cost-effectively obtained. Directing ETO to be a third-party manager and

marketer of the pilot programs and to provide recommendations regarding the VIR during the ETO's ongoing management of solar rebates will greatly assist the Commission's comparison.

6. Carve-outs and/or Rate Differentials

We urge the Commission not to establish a carve-out for non-profits and/or government entities in the pilot programs. We do not believe a carve-out is necessary to ensure the pilot programs are applicable to entities that are not eligible for the federal Investment Tax Credit (ITC). Rather, we recommend that the Commission approve a VIR specifically for entities ineligible for the federal ITC. The Commission should prohibit these entities from taking advantage of this special VIR if a for-profit qualifying third party owns the system, since for-profit qualifying third parties are eligible for the federal ITC and depreciation benefits.

7. Rate Calculations – methods and results

We believe the wide discrepancy between the Matching Incentive versus the Cost Model approach is related to: a) the use of different models (the Matching Incentive approach employs the NREL Solar Advisor Model; the Cost Model approach uses an OREP-developed model) and b) a wide variety of different input assumptions. Even if both approaches were to employ the same model, reasonable input assumptions could produce wide discrepancy in resulting VIRs. We feel that this is not an aberration or a miscalculation, but rather a reflection of the fact that real-world solar systems have a very wide variance in costs and returns at any one time, and even more variability over time – making the VIR adjustment mechanism as critical as the initial VIR.

We urge the Commission to direct ETO to work with parties to develop a model, agree upon inputs to that model, and provide recommended VIRs and associated digressions for the Commission to adopt. We believe ETO's staff expertise, existing relationships with solar installers and developers, and independence from any particular party in the docket makes the ETO the best entity to provide recommendations to the Commission regarding the VIRs.

Any inputs to a model developing VIRs should include the following²:

- 15-year Internal Rate of Return of 10%
- Costs of the system and associated installation
- System size (small, medium or large)
- Geographic location and capacity factor
- Financing costs
- Property taxes (if applicable)
- Federal Investment Tax Credit, and if it the ITC is taken as a credit or a grant (including a time discount if amortized)
- Modified Accelerated Cost Recovery System (MACRS) depreciation (including a time discount if amortized)
- Retail savings for net metered systems (including an assumed escalation rate for retail electricity prices, e.g. 3% annually compounded)
- Operations and maintenance

² The Vermont Public Service Board has recently released a highly relevant order in Docket 7533 "Establishment of Price for Standard Offer under the Sustainably Priced Energy Enterprise Development ("SPEED") program" which discusses the program's price-setting exercise using these and other variables.
http://www.psb.vermont.gov/sites/psb/files/docket/7523/7533_final_board_order.pdf

- Inverter replacement
- Lease payment (if applicable)
- System degradation
- State and federal income taxes

8. System Quality

Maintaining system quality is vital to the solar industry in Oregon. Sandia National Labs³ has conducted extensive research on this subject. If systems in the pilot programs are installed without regard to the quality of the installation, negative public perception of the pilot programs could ensue and it could be very difficult for the programs and the solar industry in Oregon to recover.

We encourage the Commission to incorporate rules establishing minimum standards for system installations and requiring that all systems meet applicable state electrical licensing and contracting laws. The National Electrical Code (NEC) is an appropriate minimum standard for system installations. ETO currently employs system installation requirements that improves upon the NEC and works with a list of certified trade allies; ETO system quality standards are another benefit of the Commission directing ETO to manage the pilot programs.

9. Rate Adjustments

We recommend that the Commission look to the hard-won lessons of Germany and Spain's feed-in tariffs as well as the more proactive principles of some of the more successful U.S. programs and use a hard-wired VIR adjustment mechanism for those systems that are not participating in an RFP. While the long-term fixed price contract to

³ http://photovoltaics.sandia.gov/docs/PDF/PV_INSTALL_PAPER.pdf

the generator aims to provide price certainty for a specific project, the price adjustment mechanism must be relied on to provide policy certainty for a developer seeking to develop multiple projects. The ultimate aim is to avoid two diametrically opposed scenarios:

- Scenario 1: Overly Low Prices – “Too Cold”: With a wholly inadequate incentive, there is no development to speak of – see, for instance, the original 1991 German Stromeinsparungsgesetz or 2000 EEG systems or Ontario’s first draft FIT, or the Spanish FIT from 1998 - 2007.
- Overly High Prices – “Too Hot”: If an incentive is overly generous, the program “oversubscribes” extremely quickly. Customer demand for solar energy is conservatively an order of magnitude larger than could be supported by any currently available funding program, and customer response can be very “steep” at high compensation levels.

The challenge for the Commission is that it cannot set a price for a solar system as it might a single conventional generation asset, as inevitably many hundreds or thousands of systems will apply. Within this “pool” of systems, there is a very wide “bell curve” of combined system prices, desired rates of return, and financing terms (including some small number of residential customers that will build a solar energy system even without an adequate financial return). The actual levels of these many price components are less than transparent, and the 25 MW capacity limit and cost cap permits funding only a very small portion of the systems that could potentially exist.

If not set “too cold”, a reasonable VIR will generally become more attractive and better subscribed over time as solar system and panel prices continue to decline in price.

However, a VIR that is “too hot” may surge through funding levels over a period of days or weeks.

With a program oversubscribed, no new business development can occur, since “placeholder” applications for projects that have a low likelihood of successful completion will hold up the application queue (or alternatively, are sold into a secondary market for reservations).

This particular problem occurred with Vermont’s SPEED program. A recent Vermont Public Service Board order concluded, “We agree with the Board’s Independent Witness, the Department, and GMP’s witness that this volume of applications suggest that the interim PV price was simply set too high relative to the statutory goals.”⁴

Remedies devised to-date have been:

- Eliminate over-subscription through unlimited funding, such that there is in effect no such phenomenon as over-subscription. This theoretical framework has permitted the German FIT to persist with only annual planned price adjustments until recently. However, the overall spending levels in Germany appear to have exceeded political will, demonstrating that even in the absence of an explicit statutory cap, public acceptance of program funding is not unlimited.
- Cope somehow with oversubscription, from simply shutting down new project development in favor of waiting until existing subscribed projects are built, (as in Gainesville, Florida, where new projects are not being developed to serve the existing FIT, or Spain, post-2009), to the arbitrary (lotteries used after the near-

⁴ Vermont Public Service Board, Docket No. 7533, Establishment of Price for Standard Offer under the Sustainably Priced Energy Enterprise Development (“SPEED”) program, Order entered January 15, 2010. Page 47.
http://psb.vermont.gov/sites/psb/files/docket/7523/7533_final_board_order.pdf

instant oversubscription of the Vermont SPEED program) to more predictable (such as first-come, first-served queuing). In general, we recommend that if the Commission is coping with oversubscription, the Commission should use criteria that reward low project risk or high project value, as opposed to using a random method to pick and choose projects.

- Establish price corrections through a political process, where the price setting body attempts to anticipate and adjust the price. However, the relative speed of almost any political decision-making process and the amount of information available to those decision-makers as opposed to the speed with which this dynamic market develops means that policy-based price adjustment has a poor track record. Further, having an unknown incentive price at some point in the future requires any would-be solar business to build in a significant “risk premium”.
- Self-correct to avoid oversubscription, such that the price automatically adjusts before a funding cap is achieved. It is this type of mechanism that we recommend – trading a known reduction in future incentives for the long-term policy security that funding caps will not be exceeded (with the inevitable consequence of either program shutdown, or a harsh downward adjustment).

Self-correction program structures have been employed in:

- The fastest-growing US markets (California⁵, Colorado⁶, New Jersey⁷ and

⁵ <http://www.csi-trigger.com>

⁶ http://www.xcelenergy.com/colorado/residential/renewableenergy/solar_rewards/pages/currentpricing.aspx

⁷ <http://www.njcleanenergy.com/renewable-energy/programs/renewable-energy-incentive-program>

Pennsylvania⁸).

- The Spanish FIT (2008 amendments changed the FIT to a MW-based digression schedule when its previous frame of periodic adjustment by the government failed to prevent a full “surge and crash” cycle).
- The German FIT starting April 1, 2010. Currently, the German FIT runs to more than 8.5 billion Euro in annual expenditures, and the inability of its once-annual price adjustment and theoretically-unlimited funding to cope with rapid reductions in module manufacturing costs mean that module prices essentially ceased their typical annual decrease for nearly two years. In the words of federal environment minister Norbert Rottgen, there has been “clear over-funding”, stating that “The goal is to develop a mechanism that responds flexibly to market developments. The current system is too rigid.”⁹ Under new rules the German FIT (after a one-time 17% political correction) will have further “steps” built in – a 2.5% reduction if annual subscriptions exceed 3.5 GW per year, and another 2.5% at 4.5 GW.

Given the severity of corrections experienced elsewhere, long-term business planning is far better supported by a transparent, long-term view of future incentive reductions than it is by overly generous incentives without a clear cost limitation. We urge the Commission to adopt a “hardwired” scheme for systems participating in the net metering plus VIR as opposed to purchasing flexibility that can only be used in an environment of limited information at the comparative price of slowed reactions and

⁸http://www.portal.state.pa.us/portal/server.pt/community/in_the_news/10475/pa_sunshine_solar_program/553019

⁹<http://www.handelsblatt.com/politik/deutschland/bundesumweltminister-roettgen-setzt-bei-solarstrom-den-rotstift-an;2497517>

increased policy risk that ultimately results in increased costs.

Within the realm of hardwired price adjustment mechanisms, we further recommend the following principles:

- Step modestly. Annual reductions in PV system prices are historically 5 – 10%, and state incentives make up ca. 40% of system cost. An incentive step of 5 – 10% will tend to self-adjust into a more or less annual step-down.
- Step transparently. All parties must have full, up to date information on when the next step will occur, how much it will be, and close the market currently is to that step.
- Step based on market movement. We note that Staff’s proposal for “first come, first served” contemplates a release of new capacity on an annual basis. If demand is high enough to fully subscribe the pilot programs for the entire year, new sales and development could be essentially “shut down” each year after the first surge of applications, only to resume in the next year. In effect, system size categories would have a once per year rush on available capacity. We urge the Commission to adopt a MW-based step digression system in order to ensure continuous market development.

We have provided a detailed proposal in our opening comments (and the revision in Section III of our closing comments) regarding a hard-wired plan for VIR digression for each system size category participating in the net metering plus VIR. We urge the Commission to adopt our proposal.

10. Capacity Reservation Activity and Limits

We urge the Commission to publicly release the cumulative nameplate capacity of systems that have had applications reserved for pilot program participation – as well as the number and capacity of pending applications - on at least a weekly basis, preferably more often than weekly. This transparency is essential to a market-based VIR digression. Opacity and unpredictability in the pilot programs is as much a threat to the pilot programs’ success as a setting a VIR that is either “too hot” or “too cold”.

Finally, the Staff proposal limits participants to no more than 15% of the program capacity. Experience with other feed-in tariff programs demonstrates that oversubscription and queue gaming are real issues. In Oregon’s limited pilot programs, imposing a developer and customer cap will help ensure that a broader spectrum of customer and solar industry partners have an opportunity to participate in the programs. However, we have not seen examples in mature markets where constraining participants or allocating market share increases benefits to customers. We urge the Commission to reconsider this cap in the future and instead use other means, such as security deposits and project milestone requirements, to ensure broad participation in the program.

DATED this 12th day of February 2010.

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CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **CLOSING COMMENTS OF RENEWABLE NORTHWEST PROJECT AND PARTNERS ON PUC STAFF'S STRAW PROPOSAL FOR FEED-IN TARIFF DESIGN** on the following persons on February 12, 2010, by hand-delivering, faxing, e-mailing, or mailing (as indicated below) to each a copy thereof, and if mailed, contained in a sealed envelope, with postage paid, addressed to said attorneys at the last known address of each shown below and deposited in the post office on said day at Portland, Oregon:

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