

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UM 1452

In the Matter of ) REPLY COMMENTS OF RENEWABLE  
PUBLIC UTILITY ) NORTHWEST PROJECT AND THE  
COMMISSION OF OREGON ) CITIZENS' UTILITY BOARD  
Investigation into Pilot Programs to ) REGARDING SOLAR PROJECT  
demonstrate the use and effectiveness ) INSTALLED COSTS AND THE  
of ) IMPLICATIONS OF HB 3690  
Volumetric Incentive Rates for Solar )  
Photovoltaic Energy Systems. )

Upon reviewing the supplemental comments submitted by the Energy Trust of Oregon (ETO) and the other parties, Renewable Northwest Project (RNP) and the Citizens' Utility Board of Oregon (CUB) believe Staff has sufficient data to revise its rate table using a range of installed costs that are represented by the data provided in the ETO's supplemental comments. We remain very concerned that the VIRs proposed in Staff's closing comments are significantly higher than the current market, are too generous to the system owner and are unnecessarily costly for ratepayers. The Staff's proposed VIRs are higher than needed to sustain a healthy solar industry in Oregon and risk igniting a backlash against solar programs that could negatively impact long-term solar market development.

The incentive reservation, bid and survey data from the ETO provide sufficient evidence that installed costs in Oregon declined significantly in late 2009 and early 2010. We urge the Commission to establish Volumetric Incentive Rates (VIRs) using a revised rate table that is reflective of that data. Finally, we urge the Commission to include an analysis of the full resource value (including transmission and distribution benefits and

Renewable Energy Credit value) associated with the VIRs. An excellent resource for this type of analysis is the The National Renewable Energy Laboratory's February 2008 report, "Photovoltaics Value Analysis".<sup>1</sup>

DATED this 19th day of April 2010.

ESLER, STEPHENS & BUCKLEY

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<sup>1</sup> <http://www1.eere.energy.gov/solar/pdfs/42303.pdf>

## UM 1452 – CERTIFICATE OF SERVICE

I hereby certify that, on this 19<sup>th</sup> day of April, 2010, I served **REPLY COMMENTS OF RENEWABLE NORTHWEST PROJECT AND THE CITIZENS' UTILITY BOARD REGARDING SOLAR PROJECT INSTALLED COSTS AND THE IMPLICATIONS OF HB 3690** in docket UM 1452 upon each party listed in the UM 1452 PUC Service Lists by email and upon the Commission by email and by sending 2 copies by U.S. mail, postage prepaid, to the Commission's Salem offices.

(W denotes waiver of paper service)

(C denotes service of Confidential material authorized)

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