

3TIER Environmental Forecast Group
Advocates for the West
Alaska Housing Finance Corporation
Alliance to Save Energy
Alternative Energy Resources Organization
American Rivers
The Apollo Alliance
Audubon Washington
Bonneville Environmental Foundation
Central Area Motivation Program
Citizens Utility Board of Oregon
City of Ashland
Clackamas County Weatherization
Climate Solutions
The Climate Trust
Community Action Partnership of Oregon
Community Action Partnership Assoc. of Idaho
Conservation Services Group
David Suzuki Foundation
Earth and Spirit Council
Earth Ministry
Ecos Consulting
Ecological Design Center
eFormative Options, LLC
Emerald People's Utility District
The Energy Project
Energy Trust of Oregon, Inc.
enXco Development Corporation
Environment Oregon
Environment Washington
Eugene Water & Electric Board
Friends of the Earth
Golden Eagle Audubon Society
Grasslands Renewable Energy
Horizon Wind Energy
Home Performance Washington
Housing and Comm. Services Agency of Lane Co.
Human Resources Council, District XI
Iberdrola Renewables
Idaho Conservation League
Idaho Rivers United
Idaho Rural Council
Idaho Wildlife Federation
Interfaith Network for Earth Concerns
Kootenai Environmental Alliance
Laborers International Union of North America, NW Region
League of Women Voters - ID, OR & WA
Metrocenter YMCA
Missoula Urban Demonstration Project
Montana Audubon
Montana Environmental Information Center
Montana Public Interest Research Group
Montana Renewable Energy Association
Montana River Action
Montana Trout Unlimited
Moontown Foundation
The Mountaineers
Multnomah County Weatherization
National Center for Appropriate Technology
Natural Resources Defense Council
New Buildings Institute
Northern Plains Resource Council
Northwest Energy Efficiency Council
Northwest Renewable Energy Institute
Northwest Solar Center
NW Natural
NW SEED
Olympic Community Action Programs
Opportunities Industrialization Center of WA
Opportunity Council
Oregon Action
Oregon Energy Coordinators Association
Oregon Environmental Council
Oregon HEAT
Pacific Energy Innovation Association
Pacific NW Regional Council of Carpenters
Pacific Rivers Council
The Policy Institute
Portland Energy Conservation Inc.
Portland General Electric
Puget Sound Alliance for Retired Americans
Puget Sound Energy
Renewable Northwest Project
River Network
Salmon for All
Save Our Wild Salmon
Seattle Audubon Society
Seattle City Light
Sierra Club
Sierra Club, BC and MT Chapters
Snake River Alliance
Solar Oregon



Public Utility Commission of Oregon
550 Capital Street NE
Salem, OR 97301

October 17, 2011

RE: UM1460 Comments Prepared for Commissioner Workshop

Dear Commissioners Savage and Ackerman,

Thank you for the opportunity to provide comments during the workshop today regarding UM1460. The NW Energy Coalition is an alliance of more than 110 environmental, civic and human service organizations, progressive utilities, and businesses in Oregon, Washington, Idaho, Montana and British Columbia. We promote development of renewable energy and energy efficiency, consumer protection, low-income energy assistance, and fish and wildlife restoration on the Columbia and Snake Rivers.

NWEC believes that the potential of the smart grid to reduce utility costs and carbon emissions is enormous. As we have pointed out earlier, prominent possibilities include dynamic load response that can provide low-cost reserves of different types to the utility and dynamic load response that can provide ramping, storage and other ancillary services that can integrate renewable generation at low cost. Demonstrated commitment among Oregon ratepayers to advancing clean energy, as evidenced by our high rate of participation in voluntary green power programs among other indications, leads us to believe that Oregon has an opportunity to be a leader in smart grid implementation.

We recognize this docket is a starting point in exploring the regulatory issues that must be addressed for utility smart grid implementation. We encourage the Commission to continue to examine smart grid issues and the regulatory decisions that are necessary for utilities to pursue smart grid technology integration. We point out that the smart grid market needs clearer signals about regulatory processes to develop the business case for various products, acquire capital, and conduct R&D, confident that it will have a market for its products. We recommend that these issues be considered more fully in the future scope of this docket or another PUC proceeding.

Our comments today focus on two of the questions posed by the Commission in their amended notice for the commission workshop.

1. Systematic Evaluation of Smart Grid Opportunities

The NW Energy Coalition agrees that regular reporting to the PUC on utility systematic evaluations and implementation of smart grid opportunities is critical. We recommend that the process chosen for smart grid reporting ensure ample opportunity for interested parties to review and comment on utility smart grid plans. We are less concerned about the form this reporting process takes – our concerns center around what type of information is required in the reporting process. This docket has usefully explored some of the key areas for attention and reporting in utility smart grid planning. However, at least one area of major concern was not addressed through this process. We discuss the need for Commission guidance on low-income issues below.

2. Commission Guidance

For each of the smart grid substantive issue areas posed in Order No. 11-172 for workshop discussions (privacy, cyber-security, interoperability requirements, the role of utilities in home energy management) including the issue added by the Parties (consumer education) we agree with the staff report summarizing the findings of each workshop. However, we submit that one additional topic – avoiding negative impacts and ensuring benefits to low-income customers - remains unaddressed. During the workshop on consumer education, NWECC suggested incorporating a requirement that the utilities address and report on potential impacts of smart grid implementation for low-income consumers. This suggestion was rejected in the workshop, however, we feel that the decision of the group was short-sighted and ask the Commission to reconsider issuing guidance that requires the utilities to report, for each smart grid action they are considering, the potential impacts on low-income customers and, where appropriate, steps the utility will take to ensure that low-income customers are 1) not bearing an unfair share of the costs and 2) able to access the benefits of smart grid implementation.

As utilities implement smart grid technologies there is a real possibility that the costs and benefits of implementation will not be spread evenly across all customers. Concerns that some smart grid implementation actions will negatively impact low-income consumers are not unfounded. Research on many topics, such as the impacts of time-based rates, is still emerging. Rates are just one area of potential impact. New technology integration has been shown to negatively impact low-income customers if not properly mitigated – for example, the potential for automated metering technology to increase shut-offs to low-income households. Further, some actions to ensure that low-income households can benefit from smart grid technology, such as subsidizing demand response technology for these households, may prove beneficial for all ratepayers.

As smart grid technology emerges, the interests of low-income customers are likely to be an ongoing concern. Analyzing and addressing the concerns of low-income customers in the initial planning stages of a smart grid implementation process has a number of benefits:

- 1) More effective program implementation that maximizes benefits to all customers;
- 2) Upfront and early mitigation of cost impacts to low income customers;
- 3) Alleviates disagreements among interested parties in Commission processes; and
- 4) Promotes more unified agreement among parties for smart grid implementation.

We understand the need to streamline reporting processes. We suggest that addressing low-income customer concerns up front will actually simplify and improve smart grid implementation in the long run. It will also help to ensure that all customers benefit from utility smart grid implementation.

Smart grid technology offers great promise to Oregon's energy system. We appreciate the opportunity to provide comments on how the Commission can structure utility smart grid planning to ensure that the actions utilities take will maximize benefits and minimize costs for all ratepayers. We look forward to continuing our participation with the PUC to advance smart grid technology implementation in Oregon.

Sincerely,

Wendy Gerlitz
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NW Energy Coalition