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September 25, 2015

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE
Salem OR 97301-3612

Re: In the Matter of PUBLIC UTILITY COMMISSION OF OREGON
Recommendations for Community Solar Program Designs and Attributes
Docket No. UM 1746

Dear Filing Center:

Enclosed for filing in the above-referenced docket, please find the Comments of the Industrial Customers of Northwest Utilities on Commission Staff's draft recommendations for a community solar program design.

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Sincerely,

/s/ Jesse O. Gorsuch
Jesse O. Gorsuch

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1746

In the Matter of)	
)	
PUBLIC UTILITY COMMISSION OF)	COMMENTS OF THE INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES
OREGON)	
Recommendations for Community Solar)	
Program Designs and Attributes)	
_____)	

Pursuant to the Oregon Public Utility Commission (“Commission”) Staff’s proposed schedule in the above-referenced docket, the Industrial Customers of Northwest Utilities (“ICNU”) submits these Comments on Staff’s draft recommendations for a community solar program design. ICNU commends Staff’s efforts to develop the framework for a community solar program that gives customers the opportunity to share in the costs and benefits of solar facilities while ensuring that non-participating customers are not unfairly burdened by the costs of the program.

Overall, ICNU agrees with Staff’s recommendations for the proper attributes of a community solar program. ICNU supports Staff’s recommendation that the risk of unrecovered capacity (capital and O&M) costs of a community solar facility, as well as uncollectible costs, be borne by the solar developer. ICNU also agrees that the energy produced from unsubscribed shares of a community solar facility should be priced at the utility’s avoided market cost. Further, ICNU agrees that the program, at least initially, should be open only to residential and small commercial customers, as large customers have alternative renewable energy options that are better suited to their needs. Finally, ICNU supports the establishment of an initial capacity

amount in any subsequent legislation to ensure that there is sufficient interest in community solar. ICNU proposes one MW as the initial amount.

At the workshop on September 22nd, stakeholders held a lengthy discussion on whether it was appropriate for the utility to build and own the community solar resource, or whether this should be left to third-party developers and utility affiliates. ICNU does not oppose the utilities owning the resource. ICNU does not view community solar as akin to the establishment of a competitive market, where incumbent utility advantages can significantly undercut competition. If the utility is able to offer subscriptions in a community solar program at the least cost to customers, then customers should have this option.

However, if utility ownership is to be allowed, any legislation implementing a community solar program will need to be carefully drafted to ensure non-participating customers are not harmed. Specifically, such legislation should not require the utilities to construct or own community solar. The utilities will likely want to ensure that they will receive full cost recovery for any legislative mandate, which would undercut Staff's careful attempts to shield non-participating customers from the risks of under-recovered capacity and uncollectible costs of a community solar resource. To avoid this problem, the legislation could authorize a request for proposals process, into which the utilities could bid their own projects (similar to how other utility resources are selected today). This would give the utilities the option of building and owning the resource, with the knowledge that they would bear the risks of that resource, but would not require them to do so, thereby providing a means of shielding non-participating customers from unnecessary and unwarranted cost shifting.

Dated this 25th day of September, 2015.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Tyler C. Pepple

Tyler C. Pepple

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