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September 1, 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.

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	)	<b>COMMENTS OF THE INDUSTRIAL</b>
OREGON	)	<b>CUSTOMERS OF NORTHWEST</b>
	)	<b>UTILITIES</b>
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 the program design proposals submitted by other stakeholders in this Docket on August 7, 2015. ICNU appreciates the work these stakeholders have put into crafting community solar design proposals, and appreciates the opportunity to comment on these proposals.

This docket was opened pursuant to Section 3 of House Bill 2941, passed in the 2015 legislative session, and is intended to provide the Commission with guidance in recommending a community solar design to the legislature “that best balances the resource value benefits, costs and impacts to ratepayers ....” A community solar project can provide solar generation to customers that otherwise do not have the ability to access this resource. While this can constitute a benefit to these customers that choose to participate in a community solar program by buying shares of the project, such a program also creates the potential for cost-shifting to non-participating customers. This potential is most apparent when a community solar project is under-subscribed. When a portion of a community solar project is unsubscribed, the

cost of unsubscribed shares can either be borne by the utility, the project's subscribers, or the utility's remaining ratepayers.

ICNU recommends that all costs associated with a community solar program, including those associated with unsubscribed shares, be borne by the utility, the project subscribers, or some combination of the two. Principles of cost-causation indicate that ratepayers that cannot or choose not to subscribe to a project should not be allocated its costs.

If, however, the Commission finds that some amount of cost-shifting to non-participating ratepayers is either necessary or appropriate, then, secondarily, ICNU recommends that these costs be applied only to customer classes that are eligible to participate in a community solar project, which, at least initially, should be limited to residential and small non-residential customers.<sup>1/</sup> Utilities often limit the allocation of costs of a program to rate classes that are eligible to participate in that program. For instance, Portland General Electric (PGE) operates a fee-free bank card program in which the large non-residential rate classes (Schedules 89 and 90 and their direct access counterparts) are not eligible to participate. The costs of this program are, therefore, not allocated to these rate classes, nor was a recent refund from this program allocated to these rate classes.<sup>2/</sup> Similarly, any costs from a community solar program that are shifted to non-participating customers should be allocated only to rate schedules that are eligible to participate in this program.

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<sup>1/</sup> Concurrently with this Docket, the Commission is considering in Docket No. UM 1690 whether it is in the public interest to allow electric companies to offer nonresidential customers a "voluntary renewable energy tariff." Docket UM 1690 can provide guidance on the demand for, and advisability of, special renewable energy programs for large nonresidential customers, and should be allowed to conclude before community solar programs are opened to large nonresidential customers.

<sup>2/</sup> Docket No. ADV 37, Staff Report at 2-3 (June 18, 2015).

As a final recommendation, ICNU encourages the Commission to propose that the legislature initially cap the amount of community solar capacity under any future legislation in order to gauge interest in the program and ensure a utility does not over-invest and unnecessarily place other customers at risk of unwarranted cost-shifting. ICNU proposes an initial cap of 1 MW. If it becomes apparent that there is greater demand for community solar than the capacity authorized under the legislation, this cap can be modified in future legislative sessions.

Dated this 1st day of September, 2015.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Tyler C. Pepple

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