

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1716

In the Matter of)
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PUBLIC UTILITY COMMISSION OF)
OREGON,)
)
Investigation to Determine the Resource)
Value of Solar)
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**INITIAL BRIEF OF THE
CITIZENS' UTILITY BOARD OF OREGON**

August 26, 2016



**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

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I. Introduction

Pursuant to Administrative Law Judge (“ALJ”) Rowe’s Ruling modifying the procedural schedule of August 10, 2016, the Citizens’ Utility Board of Oregon (“CUB”) submits its Initial Brief. In this brief, CUB outlines its position on the approach that the Public Utility Commission of Oregon (“OPUC”) Staff (“Staff”) has taken thus far in its ongoing investigation to determine the resource value of solar (“RVOS”) in Oregon.

The PUC opened this investigation well over a year ago—on January 27, 2015—but an investigation to determine the RVOS has been a topic of interest for Oregon stakeholders for quite some time.¹ The objective of this investigation is to get the best available comprehensive estimate or approach to develop an estimate of the RVOS given recent growth in solar development and ongoing policy discussions surrounding solar

¹ UM 1716 – CUB/100/Jenks-Hanhan/2, lines 6-7.

photovoltaic (“PV”) programs.² CUB appreciates the opportunity to participate in this important docket. CUB has been a regular participant of RVOS workshops, has provided comments and testimony, and has provided input at various stakeholder meetings.³

For procedural purposes, this docket has been split into two discrete phases. Phase I examines elements and methodologies used to determine the RVOS, while Phase II will examine values for each utility using those adopted methodologies.⁴ ALJ Rowe’s prehearing conference memorandum of November 9, 2015 split Phase I into three separate investigations.⁵ Investigation #1—where this docket is currently situated—examines the RVOS.⁶ Investigation #2, postponed until after Investigation #1 is complete, will examine fixed costs, and the extent of cost-shifting from net metering, if any.⁷ Investigation #3—examining the reliability impacts of solar on the grid—has been closed.⁸

Accordingly, this initial brief contemplates only the elements and methodologies that Staff has proposed thus far for Phase I, Investigation #1 of this docket.

II. General Methodology and Procedure

The purpose of Phase I, Investigation #1 of the RVOS in Oregon investigation is to “determine what elements of solar generation should be included in the RVOS and a methodology to value them.”⁹ Importantly, this portion of the docket does not include any discussion of the actual values that will be placed on the various solar generation

² *In re Public Utility Commission of Oregon*, Docket No. UM 1716, Order No. 15-296 at 2 (Sep. 28, 2015).

³ UM 1716 – CUB/100/Jenks-Hanhan/2, lines 7-9.

⁴ Order No. 15-296 at 2.

⁵ See *In re Public Utility Commission of Oregon*, Docket No. UM 1716, Prehearing Conference Memorandum (Nov. 9, 2015).

⁶ *Id.*

⁷ *Id.*; *In re Public Utility Commission of Oregon*, Docket No. UM 1716, Ruling (Jan. 15, 2016).

⁸ *In re Public Utility Commission of Oregon*, Docket No. UM 1716, Order No. 16-074 (Feb. 29, 2016).

⁹ UM 1716 – Staff/300/Dolezel/2, lines 18-19.

elements. Indeed, while Staff acknowledges that there is more work to be done to clarify and determine the proper inputs for the elements valued in the proposed RVOS methodology, that work is scheduled for the second phase of the two-phase process.¹⁰ The OPUC does not intend to pre-judge how the RVOS methodology will be used.¹¹ In examining this phase, Staff proposed the following elements in its RVOS methodology:

1. Energy
2. Generation Capacity
3. Line Losses
4. Transmission & Distribution Capacity
5. RPS Compliance
6. Integration
7. Administration
8. Market Price Response
9. Hedging Costs
10. Environmental Compliance¹²

III. CUB's Recommendation

CUB appreciates the input and time spent by various stakeholders, Staff, the Commissioners, and independent consultant Arne Olson of E3. CUB is largely supportive of the elements used, methodology, and procedure thus far in this investigation to determine the RVOS in Oregon. In reviewing the comments and testimony of other parties to this docket, CUB notes that, at this phase of the investigation, there are a limited number of factual and legal disputes at issue. While testimony reveals that there will likely be disagreements between parties surrounding the values for the inputs for the elements in the proposed RVOS methodology, those disagreements must be tabled for discussion in the later portions of this docket.

¹⁰ *Id.* at 6, lines 10-13.

¹¹ Order No. 15-296 at 1.

¹² UM 1716 – Staff/300/Dolezel/3, lines 5-15.

In its prior testimony, CUB noted that most of its preferred elements were included in the current RVOS methodology, with the exception of the proposed security element.¹³ While not a major element of the model, CUB believes that rooftop solar has security value due to the fact that the stability associated with distributed generation (i.e. DG versus relying on long-distance generation subject to disaster far from the end-user/service territory).¹⁴ CUB maintains this position, and if there is a significant increase (or decrease) in the penetration of solar in Oregon, the RVOS and its elements should be reevaluated.¹⁵

IV. Conclusion

At this phase of the investigation, CUB is generally supportive of the model and elements of Staff's RVOS methodology. CUB supports moving forward to examine Investigation #2 of Phase I, which will examine fixed costs and the extent of cost-shifting from net metering, if any. CUB appreciates Staff's adherence to Order No. 15-296, especially insofar as it has not made any pre-judgements regarding values or how the RVOS methodology will be used.¹⁶ CUB is supportive of this docket's progress thus far.

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¹³ UM 1716 – CUB/100/Jenks-Hanhan/3, lines 17-18. For a breakdown of CUB's proposed RVOS methodology inputs, *see Id.* at 2-3, lines 11, 1-15.

¹⁴ *See* UM 1716 – CUB/100/Jenks-Hanhan/6, lines 8-16.

¹⁵ *Id.* at lines 17-19.

¹⁶ *See* Order No. 15-296 at 1.

Dated this 26th day of August, 2016.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael P. Goetz".

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