

ISSUED: January 22, 2010

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1452, AR 538

In the Matters of

PUBLIC UTILITY COMMISSION OF  
OREGON

Investigation into Pilot Programs to  
demonstrate the use and effectiveness of  
Volumetric Incentive Rates for Solar  
Photovoltaic Energy Systems (UM 1452)

and

A Rulemaking Regarding Solar Photovoltaic  
Energy Systems (HB 3039) (AR 538)

RULING

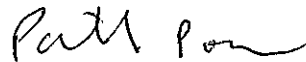
**DISPOSITION: PARTIES INVITED TO ADDRESS QUESTIONS POSED BY  
COMMISSIONERS**

A workshop was held before the Public Utility Commission of Oregon (Commission) in docket UM 1452 the afternoon of January 20, 2010<sup>1</sup>, with all Commissioners participating. At the close of the Commission workshop, provision was made for the Commissioners to submit questions to the parties, in writing, to be addressed by parties in their closing comments, due to be filed on January 29, 2010.

Attached to this ruling is a list of questions and issues raised by Commissioners. Parties who address these questions and issues in their comments should indicate specifically each question or issue that is the subject of their remarks.

The attached list of questions and issues is ADOPTED.

Dated at Salem, Oregon, this 22nd day of January, 2010.



Patrick Power  
Administrative Law Judge

<sup>1</sup> Staff also conducted a separate workshop with the parties in docket UM 1452 and the participants in rulemaking docket AR 538, the morning of January 20.

DOCKETS UM 1452, AR 538  
COMMISSIONERS' QUESTIONS ADOPTED 1/22/10

1. Bidding: If the Commission requires competitive bidding, how should it structure the bidding process for efficiency and effectiveness? What, if anything, should it include in the rules (docket AR 538) or in the UM 1452 order on the bidding process?
2. Utility and Affiliate Ownership: Should the Commission allow utilities or their affiliates to own and operate eligible projects as qualifying third parties? If so, how would it work? How would the Commission address issues of payment, ratemaking treatment, etc?
3. Net Metering Incentives: Some parties are concerned about the perverse incentive for owners to waste energy under the net metering approach. Is this a problem? If so, how should the Commission address it (if the net metering approach is adopted)? Can (and should) the Commission limit the size of system installed relative to the consumer's usage?
4. Market Rate Authority: How difficult is it for small project owners to obtain FERC market rate authority? How viable are other options for project owners (such as the Commission obtaining blanket authority for all participants)?
5. Pilot Testing: What does the Commission need to do for an effective comparative assessment of the feed-in tariff approach versus the current tax credit/subsidy approach? For example, how would one determine that high or low participation in the pilot program *vis-à-vis* the current approach isn't simply a response to high or low volumetric incentive rates? Do the rules specify the right information to be collected for this analysis?
6. Carve-outs and/or Rate Differentials: Should the Commission provide 'carve-outs' and/or higher rates for non-profit organizations? For other groups? Why or why not?
7. Rate Calculations – methods and results: What explains the wide discrepancy in the Matching Incentive approach versus the Cost Model approach? What explains the wide discrepancy in results for different cost models? What is the basis for the input assumptions used to estimate breakeven costs/kWh for different project categories?
8. System Quality: What system quality requirements should the Commission impose, if any?
9. Rate Adjustments: Should the Commission use a formulaic approach to adjusting rates (e.g., hardwired adjustment) or an approach that provides the Commission flexibility in how it adjusts rates?
10. Capacity Reservation Activity: What information about the level of activity, e.g., percent of available capacity reserved, should be made public? Why?