

December 11, 2007

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Ms. Diana Enright, Diana.enright@state.or.us
Oregon Department of Energy
Salem, OR

Oregon Administrative Rules for the Renewable Portfolio Standard (SB 838)

Dear Mr. Pheil and Ms. Enright:

Thank you for the opportunity to comment on the Department of Energy's rulemaking on the tracking system for renewable energy (REC) for the renewable portfolio standard (RPS) established by SB 838. We appreciate the simplicity of the rules. We want to comment on the requirement that all RECs be accounted for through the WREGIS system.

The proposed rules would require RPS participants to use the WREGIS system to register renewable generation and track REC ownership. The WREGIS system would be the sole mechanism to establish compliance with the State's RPS. Our concern is that through this requirement, the large majority of RECs generated by net-metered projects supported Energy Trust ratepayer-funded programs would not count toward RPS compliance. Even those that could comply with WREGIS rules would do so only with significant effort, expense and coordination between Energy Trust, PGE and Pacific Power.

Energy Trust funds a variety of renewable energy projects for customers of PGE and Pacific Power in Oregon. In exchange for Energy Trust funding, we acquire all or a substantial portion of the RECs generated by those projects. By the end of 2007 we expect to have 94.1 aMW on-line. This includes 658 net-metered systems producing 2,994 MWhs per year. Our programs are expanding quickly and we expect over 925 net-metered systems by the end of 2008, with a total production of about 8,000 MWhs per year

The proposed rules make no exceptions to the requirement to use WREGIS. If an entity cannot comply with WREGIS, the renewable generation cannot count toward the RPS. The proposed rules would have this effect on smaller, net-metered projects funded by Energy Trust. Ratepayers would get no credit for

these projects. In order to play a part in the State's strong support for PV and net-metering, the ratepayers who fund Energy Trust would have to pay a second time to make up for the undercounted generation.

The specific problem is that per WREGIS, all net-metered RECs must have an actual meter reading. Energy Trust projects have the right utility-grade meters in net-metered systems to provide a WREGIS-approved reading. However, the meters still must be read in person or through the installation of elaborate metering and communication systems. A complete set of meter readings would involve large extra expense, depleting public purpose funds for other renewable projects. We do not believe the extra expense would be warranted or necessary to comply with the RPS.

Complete self-reporting by residential and business customer for net-metered systems does not work. We have less than a 50% response rate when we ask system owners to read their meters and report to Energy Trust by e-mail and postcard yearly, and this rate is falling. We remind system owners by phone and offer them an inducement (a free CFL) to do it, but still people are busy and don't get to it.

To get an accurate reading of what is generated, Energy Trust uses a robust statistical sampling of verified meter reads to develop an average output per installed watt. We compare this to what we forecast for systems and use the difference to true-up what we report as deemed generation over the complete set of installations.

Field verification is not cheap and we do not do it annually. Our last analysis found that our forecasts of annual output were 99% of the actual for the sample. Based on this we then reduce by 1% what we estimated as generation for all PV systems.

Current WREGIS rules do not permit the use of deemed output, statistically verified or not. Unless WREGIS waives its rules, the only way we can comply is to continue self-reporting and individually check the non-respondents individually. This extra work would be expensive, will not reach all participants, and in our view diminish the value of PV investments made by the Energy Trust and by Oregon's powerful tax polices.

The bi-directional meters installed by the utilities for net-metered systems will not solve this problem because they are in the wrong place to measure the full output of the system. They can only measure the net flow back to the grid after on-site use of the generation. Alternative metering may be a possibility in the future, but not at present.

At one time WREGIS did propose treatments for net metered systems that could work for Energy Trust, but the proposal was ultimately dropped by WREGIS. We have contacted staff at WREGIS and they affirm our understanding of the reporting rules. Energy Trust can petition for an exception through their committee structures. However, this will take an uncertain amount of time with an uncertain outcome.

We suggest ODOE amend the proposed rules to allow waiver of the WREGIS requirements for RECs generated by Energy Trust-funded net-metered projects. Instead, Energy Trust can provide a separate reporting to the utilities of deemed output based on agreed protocols and with documented ownership of the associated RECs. When WREGIS can accommodate the use of deemed output for net metered systems the waiver should end.

WREGIS appears fine for larger generation with dedicated, on-site professionals. However, it is quite problematic for net metered systems for homeowners and businesses. It does not seem in keeping with all the significant public policy supporting small-scale renewables to end up with a tracking system that makes it impossible to fully recognize their value to the RPS.

A waiver provision would give us time to work with WREGIS to get it right, while at the same time providing a means for the net-metered generation to count. We would be happy to work with ODOE, the OPUC, PGE and Pacific Power to set up alternative path.

Very truly yours,

Peter West
Director of Renewable Energy Programs
Energy Trust of Oregon