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Scott Coe, General Manager of Emerald PUD, on behalf of OPUDA

Chair Bailey and Members of the Committee,

My name is Scott Coe and I am the General Manager of Emerald People's Utility District. I am here on behalf of the Oregon People's Utility District Association (OPUDA). OPUDA's members include five People's Utility Districts (known as PUDs) which provide electric service in Oregon.

I want to speak in general to several of the concepts the Committee is discussing today, including net metering and feed-in tariffs. Oregon PUDs strongly oppose this one-size-fits-all approach. There is a policy reason for a lack of uniformity between consumer-owned utilities when it comes to net metering, and it speaks to the basic foundation of public power, which is LOCAL CONTROL. We all know that St. Helens is different from The Dalles or Eugene. Each utility has a Board elected to represent the communities served and adopt cost-of-service methodologies that dictate whether one customer class is going to subsidize another.....or not! When one customer is not charged/credited for actual costs/revenues, a certain element of cross subsidization is taking place.

For this reason, system capacity caps for net metering clearly need to be made on a local level with regard to what is appropriate for the serving utility's power supply contracts, load characteristics, distribution system design and operation.

Net Excess Generation should be compensated according to local policies of the serving utility.

When a customer creates net excess generation back onto our systems it means that less energy is flowing into our system from BPA across their meters. This means that we have a reduced power and transmission bill from BPA. That is all we realize out of their net generation entering our system. Our fixed costs remain the same; i.e. transmission system, substations, operation and maintenance of the distribution system, debt service, billing, overhead, etc. Those fixed costs would need to be reallocated to other customers. The customer has gained the use of the utility's electrical system as a backup for when the wind doesn't blow or the sun doesn't shine. When they install renewables, their backup generation is at their beckoned call from the utility. So, in effect, the customer is using the utility system as a big battery to be used when they so choose. In many respects, utilities are not being compensated for providing reserve capacity to net generators.

Another important issue this raises for consumer-owned electric utilities in Oregon is their 20-year power supply contracts with BPA. Any interconnected resource greater than 200kW capacity would be viewed as offsetting and decremented from that utility's preference share of the federal-based system. Unfortunately the power supply portfolio of that utility would have less of the cleanest, renewable and most affordable energy resource available to Oregonians. Oregonians could then pay twice for power available from BPA.

All of our PUDs have net metering projects in their territories and at the bottom of our submitted testimony, we have provide the Committee with a sample of the system types and sizes of the projects. PUDs work with any customer about whatever size net metering project they may be contemplating, so long as the project will not adversely impact other customers' service and/or quality of service. Each PUD has a net metering policy that

Central Lincoln PUD – Newport

Columbia River PUD – St. Helens

Emerald PUD – Eugene

Northern Wasco County PUD – The Dalles

Tillamook PUD - Tillamook

conforms to the statute. What works for a large IOU system with 100,000s of customers and 1,000s MW of load is significantly different than a COU with just a few 1,000 customers and less than 100 MW of peak load. One size doesn't not fit all!

Thank you for your time and consideration of our concerns.

EXAMPLES OF NET METERING IN PUD TERRITORIES

City	System Type	Rated kW	Est. Annual kWh
Northern Wasco PUD	9 PV Projects	Ranging from 2-24	
Newport	PV	16.0	18,161
Reedsport	PV	9.8	10,637
Waldport	PV	4.8	5,435
Yachats	Wind	20	14,344
Depot Bay	PV	3	2,948
Florence			
N. Bend	PV	2	2,381
Winchester Bay	PV	3	
Newport	PV	6.37	7,864
Newport	PV	24.91	27,261
Florence	PV	2.82	3,328
Newport	PV	12.24	14,000
Newport	PV	9.36	10,500
Florence	PV	4.016	5,060
Florence	PV	1.2	
Toledo	PV	33.3	33,320
Newport	PV	6.12	6,976

Emerald PUD Net Metering Accounts

No.	Account	Install Date	Meter	DC Capacity (kW-DC)	AC Capacity (kW-AC)	Class	Resource
1	49363	1/1/2000	109214558	2	2.00	Commercial	Photovoltaic
2	31933	4/3/2007	109214585	2.1	1.68	Residential	Photovoltaic
3	13877	4/27/2007	59745117	4.94	3.95	Residential	Photovoltaic
4	64109	7/1/2007	108511264	4.94	3.95	Commercial	Photovoltaic
5	26075	7/1/2007	108511356	4.94	3.95	Commercial	Photovoltaic
6	68056	5/1/2008	108511234	1.7	1.36	Commercial	Photovoltaic
7	10983	8/4/2008	109214632	2.88	2.30	Residential	Photovoltaic
8	43325	1/20/2009	75017415	19.6	15.68	Commercial	Photovoltaic
9	55524	2/4/2009	75018302	24.57	19.66	Commercial	Photovoltaic
10	113118	3/26/2009	109214630	4.2	3.36	Residential	Photovoltaic
11	30761	5/8/2009	109214927	3.15	2.52	Residential	Photovoltaic
12	86927	5/8/2009	109214631	2.28	1.82	Residential	Photovoltaic
13	66575	7/13/2009	109214732	2.1	1.47	Residential	Photovoltaic
14	87413	8/10/2009	109214583	3.28	2.79	Residential	Photovoltaic
15	103995	8/18/2009	109214733	8.4	6.91	Residential	Photovoltaic
16	90768	2/10/2010	48142780	3.23	2.56	Residential	Photovoltaic
17	24353	2/12/2010	109214582	2.4	1.89	Residential	Photovoltaic
18	9766	3/3/2010	48660475	5.1	4.29	Residential	Photovoltaic
19	100223	3/12/2010	109214730	2.25	1.92	Residential	Photovoltaic
20	104441	4/2/2010	109214633	2.16	1.72	Residential	Photovoltaic
21	105095	7/7/2010	109214609	8.28	7.06	Residential	Photovoltaic
22	3906	7/30/2010	109214608	2.1	2.10	Residential	Photovoltaic
23	27211	12/30/2010	109214926	2.8	2.16	Residential	Photovoltaic
24	44130	1/12/2011	108510791	2.45	2.03	Residential	Photovoltaic

25	60634	5/19/2011	109214928	4.41	3.34	Commercial	Photovoltaic
26	105828	6/24/2011	108510965	2.52	2.15	Residential	Photovoltaic
27	72372	9/26/2011	108511179	3.36	2.83	Residential	Photovoltaic
28	69306	10/12/2011	108511317	4.23	3.63	Residential	Photovoltaic
29	73837	10/24/2011	108511170	3.29	2.81	Residential	Photovoltaic
30	89819	10/27/2011	108511312	2.94	2.53	Residential	Photovoltaic
31	107008	11/27/2011	108511180	4.14	3.46	Residential	Photovoltaic
32	59292	12/28/2011	109214896	2.88	2.52	Residential	Photovoltaic
33	6466	2/7/2012	109214929	2.82	2.42	Residential	Photovoltaic
34	13629	5/30/2012	109214607	6	5.15	Residential	Photovoltaic
35	115017	5/30/2012	109214584	3.06	2.67	Residential	Photovoltaic
36	65302	6/21/2012	109214740	2.82	2.42	Residential	Photovoltaic
37	76348	6/29/2012	109214559	3.76	3.22	Residential	Photovoltaic
38	3738	8/6/2012	109214731	4.05	3.36	Residential	Photovoltaic
39	88860	10/10/2012	109214741	2.3	1.97	Residential	Photovoltaic
40	46558	11/7/2012	75017111	14	11.95	Commercial	Photovoltaic
41	106632	12/10/2012	109214738	2.07	1.72	Residential	Photovoltaic