



April 3, 2017

TO: Senator Lee Beyer, Chair, Senate Committee on Business and Transportation
Members, Senate Committee on Business and Transportation

FR: Rikki Seguin, Policy Director, Renewable Northwest

RE: Comments on SB 979

Dear Chair Beyer:

Renewable Northwest, a diverse member organization that is dedicated to the responsible development of renewable energy resources in Oregon and throughout the Pacific Northwest, is pleased to provide comments on SB 979. Renewable Northwest is supportive of customer choice and opening up pathways to enable customers to source 100 percent of their electricity from bundled renewable resources.

The passage of the Clean Electricity and Coal Transition Act (SB 1547) marked a historic moment for Oregon. It captured the will of the people to clean up our energy supply and put Oregon firmly on a path to build upon our generous legacy of renewable energy resources to meet our needs. It also sent the clear message that Oregonians are ready to transition away from coal resources to a future that keeps the air clean and supports our treasured quality of life.

Some customers are ready to go beyond the vision set out by the Clean Electricity and Coal Transition Plan. Large corporate customers across the nation are setting their sights on a 100 percent renewable future, and are eager to meet their electricity needs exclusively with bundled renewable resources. From the end of 2015 to September 2016, the number of renewable “green tariff” options offered by utilities nationwide to non-residential customers doubled, revealing the demand from businesses for options to increase their access to renewable energy.¹ In 2015, Oregon passed HB 4126, which aimed to set up such a “voluntary renewable energy tariff” for non-residential customers. However, some of the strict parameters in the legislation meant that the resulting Oregon Public Utility Commission docket, UM 1690, was unable to deliver a tariff design that appealed to customers.

Oregon currently has a “direct access” program that allows nonresidential customers of Portland General Electric and Pacific Power to opt out of their respective utility’s regulated “cost-of-service” rates. Those customers can then choose to purchase energy from a third party electric service supplier (ESS). Should it wish to do so, a utility could form an affiliate to compete in that market to provide ESS services. When leaving cost-of-service rates, customers are required to pay transition charges to ensure that the utility and remaining customers are not on the hook for any investments made on behalf of the customer that is moving to direct access.

¹ World Resources Institute, [Emerging Green Tariffs in US Regulated Electricity Markets](#), October 2016.

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While current direct access rules have been partially successful at enrolling certain customers into this type of program, there are barriers to traditional direct access in Oregon. As active participants in previous conversations in this Legislature and at the Oregon Public Utility Commission on this topic, Renewable Northwest is supportive of SB 979's intent to reduce several of these barriers and increase customer choice.

Current barriers to participating in existing direct access programs in Oregon include determining the extent to which utility investments are stranded when a customer leaves, how those costs can be prudently and fairly minimized, how much the customer must pay, and for how long. Customers on direct access must also opt to move their entire load out of the utility's cost-of-service rates, which could be seen as step too far for some customers. Furthermore, customers usually have only a defined, short window once a year to elect to move to direct access. Additionally, the financial and technical requirements to establish an ESS can be daunting.

SB 979 would offer customers a 100 percent renewable direct access option, and also attempts to reduce some of the barriers to customers opting to leave the utility's cost-of-service rates. This bill proposes to change the way in which transition charges are determined. It is important to ensure that transition charges are calculated in a fair way that protects remaining customers without unduly burdening the departing customer.

Renewable Northwest is supportive of customer choice and opening pathways for customers to acquire the renewable power they desire. Renewable Northwest is eager to be a part of a conversation about potential avenues for increasing customer choice, including through the prudent reduction of barriers to direct access and the designing of effective and attractive green tariff options. Oregon should continue to lead on policies that support clean, renewable energy and address latent customer demand for renewable energy products. Offering these products would help signal that Oregon welcomes businesses seeking to locate in states where they have viable options to meet their sustainability goals.

We support SB 979's intent of increasing customer choice and access to renewable energy products. We are happy to work with stakeholders to further explore this and other concepts and language that would best protect and meet the needs of customers, non-participating ratepayers, and utilities alike.

Sincerely,

Rikki Seguin
Policy Director
Renewable Northwest