



Portland General Electric
121 SW Salmon Street · Portland, Ore. 97204

October 28, 2019

Via Electronic Filing
puc.filingcenter@state.or.us

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street, Ste. 100
P.O. Box 1088
Salem, OR 97308-1088

Re: **UM 1930 PGE Letter on Community Solar Program, Cost Shifting, and Non Bypassability to Long Term Opt Out Customers**

PGE wishes to thank the Commission Staff for their prolonged efforts over the last three years to establish implementation rules for a successful rollout of the Community Solar Program, as directed by the Legislature through Senate Bill 1547.

Recognizing that the implementation of the Oregon Community Solar Program will most likely cause costs to be shifted onto non-participating customers, PGE notes that these costs will be borne largely by residential customers and, under current ratemaking constructs, would be bypassed by large non-residential customers who elect opt out of cost of service in PGE's long-term opt out program. When nonresidential customers choose the long-term opt out program, those customers avoid costs imposed that are charged through PGE's supply cost. This means the risk of the cost shift is borne by cost of service customers such as residential customers. The avoidance of this policy-related cost creates an additional incentive for a direct access-eligible customer to choose the long-term opt out program. When costs are bypassed, the remaining cost of service customers bear them in full. This is similar to other costs avoided when a customer chooses direct access, such as PURPA QF costs and Oregon's feed-in-tariff (Solar Payment Option) costs. As the Commission endeavors to implement public policy objectives, solutions must consider the bypassability of the cost imposed.

In calling this matter to the Commission's attention, PGE seeks to raise the issue and is not seeking a Commission action on whether direct access customers should be able to bypass these costs or a portion of them, e.g. those above an amount that resulted from applying the Resource Value of Solar. When the community solar power costs are to be recovered, PGE plans to explore the recovery of those community solar costs from all customers, thus not allowing a bypass.

Sincerely,

A handwritten signature in black ink that reads "Jay Tinker for". The signature is written in a cursive, flowing style.

Jay Tinker,
Director, Regulatory Policy & Affairs