

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

**Application of Nevada Power Company
d/b/a/ NV Energy Filed under Advice Letter
No. 475 to Revise Tariff No. 1-B to establish
Voluntary Subscription Solar Pricing
Program Rider Schedule Solar 1**

Docket No. 17-03009

**Application of Sierra Pacific Power
Company d/b/a NV Energy filed under
Advice Letter No. 592-E to revise Electric
Tariff No. 1 to establish Voluntary
Subscription Solar Pricing Program Rider
Schedule Solar 1.**

Docket No. 17-03010

DIRECT TESTIMONY AND EXHIBITS OF RICK GILLIAM

ON BEHALF OF VOTE SOLAR

AUGUST 11, 2017

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BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Direct Testimony of Rick Gilliam
On Behalf of Vote Solar
Docket Nos. 17-03009 and 17-03010

I. Introduction

Q1. Please state your name and business address.

A1. My name is Rick Gilliam. My business address is 590 Redstone Drive, Suite 100,
Broomfield, Colorado.

Q2. On whose behalf are you submitting this direct testimony?

A2. I am submitting this testimony on behalf of Vote Solar.

Q3. What is Vote Solar?

A3. Vote Solar is a non-profit grassroots organization working to foster economic
opportunity, promote energy independence, and fight climate change by making solar
a mainstream energy resource across the United States. Since 2002, Vote Solar has
engaged in state, local, and federal advocacy campaigns to remove regulatory barriers
and implement key policies needed to bring solar to scale. Vote Solar has
approximately 60,000 members nationally and 500 in Nevada, including at least 230
members within Nevada Power Company's ("NPC") service territory and 80 within
Sierra Pacific Power Company's ("SPPC") (collectively, "Companies" or "NVE")
service territory.

Q4. By whom are you employed and in what capacity?

A4. I serve as the Program Director of Distributed Generation ("DG") Regulatory Policy
for Vote Solar. I oversee policy initiatives, development, and implementation related
to distributed solar generation. I also review regulatory filings, perform technical

analyses, and testify in commission proceedings around the country relating to distributed solar generation.

Q5. Please describe your educational background.

A5. I have a Masters Degree in Environmental Policy and Management from the University of Denver, Denver, Colorado. I also have a Bachelor of Science Degree in Electrical Engineering from Rensselaer Polytechnic Institute in Troy, New York.

Q6. Please describe your experience in utility regulatory matters.

A6. Prior to joining Vote Solar in January of 2012, my regulatory experience included five years in the Government Affairs group at Sun Edison, at the time one of the world's largest renewable resource developers, as a manager, director, and eventually vice president; twelve years with Western Resource Advocates (formerly known as the Land and Water Fund of the Rockies) as Senior Policy Advisor; and twelve years in the Public Service Company of Colorado ("PSCo") rate division as Director of Revenue Requirements. Prior to that, I spent six years with the Federal Energy Regulatory Commission ("FERC") as a technical witness. All told, I have nearly forty years of experience in utility regulatory matters, including experience in reviewing legislation and testifying before legislative committees in a number of states on renewable energy, solar energy, and net metering, among other issues. A summary of my background is included as Exhibit RG-1.

Q7. Have you previously testified before the Nevada Public Utilities Commission ("the Commission")?

A7. Yes, I have.

1 **Q8. Before what other utility regulatory commissions have you testified?**

2 A8. I have testified in proceedings before the Arizona Corporation Commission, Colorado
3 Public Utilities Commission, Idaho Public Utilities Commission, Kansas Corporation
4 Commission, New Mexico Public Regulation Commission, Utah Public Service
5 Commission, Wisconsin Public Service Commission, Wyoming Public Service
6 Commission, and the FERC.

7 **Q9. Have you ever provided testimony to a regulatory commission regarding a**
8 **utility's proposal to implement a voluntary solar program?**

9 A9. Yes. In the past three years, I have testified in two proceedings before the Colorado
10 Public Service Commission concerning PSCo's proposal to offer a subscription-based
11 solar program for which PSCo would procure a dedicated solar resource to serve
12 program participants. The Colorado Commission rejected PSCo's initial application
13 in 2014 on several grounds, including concerns about the potential anti-competitive
14 nature of the program, including certain marketing advantages of the utility as
15 compared to third-party providers, and a lack of demonstrated customer demand for
16 the product.¹ After working with stakeholders, PSCo offered an improved version of
17 the program that the Commission approved in 2016 as part of a multi-party, multi-
18 case settlement.

19 I also testified in SPPC's 2016 IRP case, PUCN Docket No. 16-07001, concerning
20 the Company's "subscription solar concept." In that case, I recommended that SPPC
21 propose a shared solar program (as opposed to a green pricing program) to promote
22 the interests its customers expressed in renewable energy.

¹ Decision No. C14-1487, Colorado Public Utilities Commission Proceeding No. 14A-0302E (December 8, 2014).

1 **II. Purpose of Testimony and Summary**

2 **Q10. What is the purpose of your testimony in this proceeding?**

3 A10. My testimony addresses the Companies' application for Commission approval to
4 offer what they call a Subscription Solar Program ("Program").² I explain why Vote
5 Solar opposes the Program as proposed and present modifications necessary to
6 protect customers.

7 **Q11. Do you agree that the Companies are proposing a subscription solar program?**

8 A11. No. As I discuss in detail below, I think it is inaccurate and misleading to describe the
9 Companies' proposal as a "subscription solar program." The term "subscription
10 solar" refers to the ability of individual customers to subscribe to the output of a solar
11 generating facility. Such programs can provide an opportunity for individuals to
12 reduce their overall energy expenditures by substituting energy subscribed from a
13 community solar project for grid-supplied energy.
14 By contrast, the Companies' proposal does not provide participants with energy from
15 a solar generating facility or a way to reduce their own overall energy expenditures.
16 Instead, participants must pay a premium to retire portfolio energy credits ("PCs")³
17 associated with an existing solar facility. The Companies are not offering a
18 subscription solar program.

² Prepared Direct Testimony of Patrick S. Egan, filed with the Public Utilities Commission of Nevada on July 21, 2017 ("Egan Direct") at 2:3-4; Original Filing, Expanding Customer Choices - Voluntary Subscription Solar Pricing Program: Voluntary Subscription Solar White Paper, filed with the Public Utilities Commission of Nevada on March 3, 2017 ("White Paper").

³ PCs are sometimes referred to as renewable energy credits ("RECs"). I use the term PCs in my testimony, but there is no distinction between PCs and RECs, as NV Energy witness Kelly Schackmuth explained in her direct testimony. Prepared Direct Testimony of Kelly A. Schackmuth, filed with the Public Utilities Commission of Nevada on July 21, 2017 ("Schackmuth Direct") at 3, footnote 1.

1 **Q12. What type of program are the Companies offering their customers?**

2 A12. The Companies are offering their customers a green pricing program. Indeed, the
3 Companies describe the program as follows in a discovery response:

4 The Subscription Solar Program is a voluntary green power pricing option for
5 customers (residential and small commercial and industrial) that do not qualify for
6 the NV GreenEnergy Rider tariff. The NV GreenEnergy Rider is a voluntary
7 green power pricing program for large commercial and industrial customers who
8 execute a contract with the Company for the portfolio energy credits and benefits
9 associated with a dedicated resource. Unlike the NV GreenEnergy Rider, the
10 Subscription Solar Program's rate is not tied to an exclusive resource, does not
11 have a contract term and provides flexible and affordable means for smaller
12 customers to satisfy their desire to offset their energy usage from renewable
13 resources, without having to install a private generation system on their premise.⁴
14

15 To avoid confusion and be consistent with the Companies' own description above, I
16 refer to the Companies' proposal as a green pricing program.

17 **Q13. Please summarize your testimony.**

18 A13. Based on my review of the Companies' application and supporting materials, I find
19 that the Program offers limited benefits to customers. The Program relies on an
20 existing solar facility for PCs instead of developing a new solar resource, though the
21 Program may lead to additional renewables development sometime in the next
22 decade. To ensure that NVE's customers are offered the benefits of solar energy,
23 benefits that customers have told NVE that they want, the Commission should direct
24 the Companies to propose a shared solar program that develops a new resource.
25 In the alternative, the Commission should only approve the Companies' green pricing
26 program proposal with specific modifications. First, the Commission should require
27 any Program expansion beyond the first 10 MW incorporate a new dedicated solar
28 facility that directly displaces fossil-fuel generation.

⁴ NV Energy's Response to VS 2-07.

1 Second, the Program name and description must be modified to mitigate the
2 significant risk of customer confusion that currently exists. While there is some value
3 in retiring PCs, the Program does not provide customers with an opportunity to
4 subscribe to the energy from a solar resource, as its name suggests. Thus, as currently
5 described, I am concerned that NV Energy's customers could mistakenly believe the
6 proposed program is an actual subscription solar program. To put a finer point on this,
7 I am concerned that customers will mistake this program for community solar from
8 which they would get subscribed energy and the possibility of lowering their electric
9 bills. Because they will not receive these benefits, the Companies should rename the
10 Program so that it is clear to customers that it is a green pricing program.
11 But a name change without more would be insufficient to mitigate the significant risk
12 of customer confusion. As a result, if the Commission approves a green pricing
13 program in these dockets, I recommend it modify the Companies' proposal to ensure
14 the marketing materials and tariff language reflect the characteristics of the actual
15 offering. Therefore, the Commission should take the following actions:

- 16 1. Prohibit the Companies from using the term "subscription solar" or similar
17 terms, such as "community solar" "shared solar" or "solar gardens," to
18 describe the program. These terms (or any other term that is used
19 interchangeably with "community solar") all refer to offerings that allocate
20 the energy from a single solar generating facility to multiple individual
21 subscribers.
- 22 2. Prohibit the Companies from referring to the construction and ongoing
23 benefits of Boulder Solar I in its marketing materials for the Program. Boulder

Solar I is an existing solar resource that will continue to operate regardless of whether the Commission approves this Program. Thus, the benefits that Boulder Solar I provides, including ongoing clean energy generation and reduced pollution, are not attributable to this Program. Furthermore, the economic benefits of building the facility would have occurred in the absence of the Program.

3. Direct the Companies to include the following specific language in their marketing materials in order to provide an accurate program description and important disclaimers about the Program:

The proposed Program offers individuals the opportunity to retire Portfolio Credits from an existing solar resource to reduce the environmental impact of their electricity. Although the energy you use today would not be any different because of your participation in this Program, the retirement of PCs may lead your utility to acquire more renewable resources in the future. Participants will not receive the actual energy output from the solar facility or the opportunity to reduce their electricity bills. The proposed green tariff program is in addition to your normal electricity rates. Participating in the program will allow individuals and businesses to achieve their own environmental and sustainability goals by claiming a certain portion of the electricity used is green.

4. Require the Companies to file marketing materials in these consolidated dockets at least 30 days before they are sent to customers, providing Staff and intervenors an opportunity to review and raise objections to any misleading marketing materials.
5. Modify the language of the tariff sheets to clarify that the offering is a green pricing program and that customers are purchasing PCs only, rather than renewable energy or bundled power (i.e., a product that “bundles” energy and

1 PCs together).

- 2 6. Require the Companies to file annual reports on the Program that include: the
3 number of PCs sold; actual administrative costs; a calculation of excess
4 revenue and supporting evidence for that calculation; the number of customers
5 participating; enrollments and de-enrollments (attrition); average length of
6 customer participation term (to-date); levels of participation (percentage of
7 average annual usage), any changes to previously approved marketing
8 materials, and other pertinent facts the Commission deems appropriate.

9 **III. Limitations of the Companies' Proposed Green Pricing Program**

10 **A. The Proposed Program Does Not Develop New Renewable Resources or**
11 **Provide Any Other Near-Term Environmental Benefits**

12 **Q14. Please describe the proposed Program.**

13 A14. The Program provides residential and small commercial customers an opportunity to
14 retire PCs from a portion of an existing solar resource. Specifically, the Companies
15 propose to retire PCs associated with a 10 MW portion of the existing Boulder Solar I
16 facility. Participants will not receive any electricity from Boulder Solar I (either in
17 bundled or unbundled form) or bill credits under this Program. When PCs are retired,
18 the Companies cannot use those PCs to comply with Nevada's Renewable Portfolio
19 Standard ("RPS").

20 **Q15. Do you agree that retiring PCs associated with an existing solar resource is a**
21 **benefit of the Program?**

22 A15. Yes. Retiring PCs associated with an existing solar resource is a benefit because it
23 can drive the demand for additional renewable energy resources needed for RPS
24 compliance. Unfortunately, the Companies have a substantial surplus of PCs that

1 would not result in additional demand for renewable energy resources until 2020 for
2 Sierra Pacific Power and 2026 for Nevada Power. As a result, the Commission's
3 approval of the Proposal will not adjust the timing of when the Companies will need
4 additional renewables for RPS compliance, rather, just the amount of new resources
5 acquired at that time.⁵

6 **Q16. Do you agree with the Companies that their proposal is a subscription solar**
7 **program?**

8 A16. No, I do not. As I mentioned earlier, participating customers would not receive any
9 energy or bill credits associated with the energy from the designated Boulder Solar I
10 resource. This program is solely about retiring PCs.

11 The Companies' proposal is a green pricing program, sometimes called a green tariff
12 program, in which participating consumers pay a premium on their electricity bill to
13 cover the incremental cost of additional renewable energy.⁶

14 **Q17. What is the goal of a green pricing program?**

15 A17. According to the National Renewable Energy Laboratories, "the goal of green pricing
16 [] is to allow customers, through individual actions, to support a greater amount of
17 renewable energy development by their utilities."⁷ Participants want to know that the
18 premium they pay will result in meaningful renewable energy capacity additions.⁸

19 **Q18. Do the Companies propose to develop "a greater amount of renewable energy"**
20 **to support the proposed Program?**

⁵ NV Energy's Response to VS 2-15.

⁶ Blair Swezey and Lori Bird, *Utility Green-Pricing Programs: What Defines Success?*, NREL/TP.620.29831 (2001) at p. 1, <http://www.nrel.gov/docs/fy01osti/29831.pdf>.

⁷ *Id.*

⁸ *Id.*

1 A18. No. The Companies propose using an existing resource—Boulder Solar I—as the
2 source of PCs for this Program.⁹ As I understand it, the Boulder Solar facility was
3 built to fulfill in part SB 123’s requirements for the development of Emission
4 Reduction Capacity Replacement (“ERCR”) resources.¹⁰ Boulder Solar I began
5 commercial operations on December 9, 2016.¹¹ By proposing to use the already
6 operational Boulder Solar I plant, there is no incremental solar power coming onto the
7 Companies’ system as a result of the proposed Program, at least in the near-term.
8 This is a shortcoming of the Companies’ proposal.

9 **Q19. How should the Commission address that shortcoming?**

10 A19. The best option would be for the Commission to require the Companies to offer a true
11 subscription solar program that is supported by a new resource. Specifically, the
12 Commission should direct the Companies to launch a community solar program that
13 allows customers to subscribe to the energy from a new, dedicated resource. A true
14 community solar program will better align with the interests of the Companies’
15 customers. Most notably, customers that are interested in the potential opportunity to
16 lower their electricity bills, participate in Nevada’s green energy economy, and
17 provide subscribers the opportunity to reduce their carbon footprint.

18 At a minimum, the Commission should not allow the Program to expand beyond 10
19 MW without providing additional solar resources. NPC stated in discovery “The
20 Company does not believe it needs Commission approval to increase the capacity of
21 the Program beyond the initial 7.33 MW” allocated to that company because it could

⁹ White Paper PDF at 9.

¹⁰ *Id.*

¹¹ *Id.*

1 expand the program to include capacity from the Techren facility—another already-
2 contracted-for resource.¹² It is unreasonable for the Companies to expand the
3 program to include even more existing facilities when their pitch to the Commission
4 is that “the Program could support the utilization and possibly the construction of new
5 Nevada-based renewable resources to support future subscription growth.”¹³

6 **Q20. Is it possible that the Program, as currently structured, would result in**
7 **additional solar resources coming online sometime in the future?**

8 A20. Yes, it is possible that the proposed Program would lead to the procurement of
9 additional renewable resources indirectly and over the long term. The PCs that are
10 retired as part of the Program would not be available for RPS compliance. Therefore,
11 to the extent the Companies need additional PCs for RPS compliance because they
12 cannot claim PCs from the Program’s dedicated resource, the Companies would need
13 to procure additional renewable energy.

14 **Q21. When would this potential benefit of more solar resources be realized?**

15 A21. This “additionality” benefit will not be realized in the near term. According to the
16 Companies, Commission approval of the Proposal is immaterial to the date they will
17 need to procure additional renewable resources for RPS compliance.¹⁴ The
18 Companies explained in discovery that “The difference between approval and non-
19 approval is not the timing of when new renewable generating resources would be
20 needed, but rather in the amount of new resources needed. With the Subscription

¹² NV Energy’s Response to VS 3-03.

¹³ Egan Direct at 4:10-12.

¹⁴ NV Energy’s Response to VS 2-15.

1 Solar Program, that capacity need would increase.”¹⁵

2 Sierra Pacific Power Company is projected to have sufficient credits to meet the RPS
3 through 2020 and Nevada Power through 2026 regardless of whether or not the
4 Commission approves the Proposal.¹⁶ In fact, even if the Commission quadrupled the
5 capacity of the proposed Program (from 10 MW to 40 MW), the Companies would
6 still not need to acquire a new RPS resources until 2020 and 2026.¹⁷ Therefore, the
7 Program does not adjust the date new renewable energy generation would be needed
8 in Nevada in the near term.

9 **B. The Companies’ Claims about the Benefits of the Program are**
10 **Misleading.**

11 **Q22. How does the Company describe the Program’s potential to bring new**
12 **renewable resources online?**

13 A22. The Company claims in its White Paper that participation in the program “accelerates
14 the need to add renewable resources in Nevada to keep pace with RPS
15 requirements.”¹⁸

16 **Q23. Do you agree with this claim?**

17 A23. No, I do not. “accelerate” means to make something happen more quickly. But NVE
18 explained in discovery that the proposed Program would not change the date the
19 Company would acquire new resources for RPS compliance—even if the Program

¹⁵ *Id.* at (b).

¹⁶ *Id.* at (a)-(b).

¹⁷ *Id.* at (c).

¹⁸ White Paper PDF at 10; *see also id.* at 11 (“The Program effectively accelerates demand for the next renewable resource.”).

1 were quadrupled in capacity and fully subscribed.¹⁹ As I discuss above, the Program
2 does not accelerate demand for the next RPS compliance resource before 2020 (for
3 SPPC) or 2026 (for NPC).²⁰

4 **Q24. Do Company witnesses advance any other theories for how this program could**
5 **lead to the development of additional resources?**

6 A24. Yes. Company Witness Patrick Egan claims that if about 1% of customers
7 participated in the program, “the Companies would need to identify a new resource.
8 That new resource would provide the ‘additionality’ that parties . . . requested.”²¹

9 **Q25. Does this statement show that the Program will lead to “additionality”?**

10 A25. No. It is unclear from Mr. Egan’s statement whether the Companies would build a
11 new resource for more than 1% of customers to participate in the Program, or whether
12 the Company could simply identify another existing or planned resource to supply
13 PCs to the Program, such as the Techren facility. When environmental advocates
14 seek clean energy programs with “additionality,” they are demanding programs that
15 actually deploy new renewable resources that would not have existed without the
16 program. This is a simple way of measuring whether it makes a difference for the
17 environment. This statement may conflate *building* a resource (which would create
18 “additionality”) with *identifying* an existing resource that could supply PCs. Unless
19 the Commission orders the Company to deploy additional resources to support any
20 expansions of the Program, as I recommend, it would be misleading for the Company
21 to equate Program expansion with “additionality.”

¹⁹ NV Energy’s Response to VS 2-15.

²⁰ NV Energy’s Response to VS 2-15.

²¹ Egan Direct at 7:13-16.

1 **Q26. What other attributes do the Companies claim for the Program?**

2 A26. The Companies claim the Program is a way for customers to participate in the green
3 energy economy.²²

4 **Q27. Does the Program provide customers a way to participate in the green energy**
5 **economy?**

6 A27. No. This is misleading because it implies that the money customers spend on the
7 program will go toward renewable energy projects or businesses. In fact, NVE notes
8 the revenues from participating customers will support two general purposes, neither
9 of which could reasonably be considered “participating in Nevada’s green economy.”

10 First, the Companies propose using \$1.69 (or 85%) of every \$2 block for
11 administrative costs.²³ These administrative costs include customer outreach,
12 recruitment, and management, as well as updates to the Companies’ billing and IT
13 systems.²⁴ NVE’s overhead costs are not an investment in Nevada’s green economy.

14 Second, \$0.31 of every \$2 block covers the costs of the PCs that are being retired
15 through the Program. The Program would only use PCs from Boulder Solar I, which
16 NV Energy has already committed to acquire through a power purchase agreement.²⁵

17 If not for the Program, the Companies would use these PCs to comply with Nevada’s
18 Renewable Portfolio Standard (“RPS”) and pass the PC costs on to all customers
19 through the Base Tariff Energy Rate. If the Commission approves the Program, the
20 PC portion of the subscription fee “will be offset against fuel and purchased power

²² White Paper PDF at 12.

²³ NV Energy’s Response to VS 2-10.

²⁴ Egan Direct at 10:13-20.

²⁵ NV Energy’s Response to VS 4-12.

1 expense, thereby offsetting costs for all customers.”²⁶ In other words, the PC portion
2 of the subscription fee is an economic transfer to other customers. It is not an
3 investment in the green economy.

4 **Q28. Is that the only way that the Company has implied that the Program fuels the**
5 **green energy economy?**

6 A28. No. Company witness Kelly Schackmuth stated that the program “provides a new
7 solar option for customers to participate in the renewable energy market . . .”²⁷
8 However, the proposed Program does not allow customers to participate in renewable
9 energy markets, i.e. the buying or selling of renewable energy, or any markets for that
10 matter.

11 **Q29. What claims has the Company made about what customers get when they**
12 **participate in the Program?**

13 A29. The Company has used a variety of terms to describe the Program, and several of the
14 Company’s claims imply that the Program would allow customers to purchase
15 renewable energy. For instance, the Company’s press release about the proposal
16 stated “If the program is approved as filed by the PUCN, eligible customers will be
17 able to subscribe monthly to 100 kilowatt-hour (kWh) ‘blocks’ of solar energy.”²⁸
18 Similarly, Company Witness Patrick Egan states that the Program will give

²⁶ White Paper at PDF at p. 10.

²⁷ Schackmuth Direct at 7:9-10.

²⁸ NV Energy, *NV Energy Seeks Approval for a New Customer Renewable Energy Option* (March 7, 2017), <https://www.nvenergy.com/company/mediaroom/newsdetail.cfm?n=136961> (“NVE Press Release”) (attached as Exhibit RG-3).

The Company includes an almost identical claim in its White Paper and supporting testimony. White Paper PDF at 11 (“Customers choosing to enroll in the Program will be able to subscribe to one or more blocks of renewable energy.”); Egan Direct at 11:16-17.

1 “customers the option to meet up to 100 percent of their energy needs with renewable
2 energy.”²⁹ Mr. Egan also states that “the Program offers a convenient and low cost
3 way to have renewable energy match [customers’] energy use.”³⁰

4 **Q30. Do you agree that the Program will allow customers to subscribe to solar**
5 **energy?**

6 A30. No. The Program does not allow customers to subscribe to renewable energy, and
7 any statement to the contrary is incorrect. The Company confirmed in discovery that
8 the proposed Program does not allow customers to subscribe to energy or
9 electricity.³¹

10 **Q31. How else has the Company described the Program?**

11 A31. The Company has claimed that “[t]his Program offers eligible customers a simple
12 way to purchase renewable resources . . .”³²

13 **Q32. Is it reasonable to describe the Program as a way for customers to purchase**
14 **renewable resources?**

15 A32. No. The “renewable resource” participants are purchasing PCs.³³ I believe that for
16 many customers—especially customers who do not know what a PC is—“purchasing
17 renewable resources” means purchasing renewable energy or a share of a solar
18 facility. But this Program does not provide an opportunity for such purchases. I am
19 concerned that customers will have no idea what they are buying if the Company

²⁹ NVE Press Release (attached as Exhibit RG-3).

³⁰ Egan Direct at 3:13-15.

³¹ NV Energy’s Response to VS 3-10.

³² White Paper PDF at 8, 11, 14.

³³ NV Energy’s Response to VS 2-05.

advertises the program as an opportunity to purchase “renewable resources.”

Q33. What other Program benefits does the Company include in its White Paper?

A33. The White Paper includes the construction, operation and coal-displacement of Boulder Solar I in its list of Program benefits.³⁴

Q34. Should the Company attribute any of these benefits to the Program?

A34. No. Boulder Solar I came online in 2016, and will continue to operate as a coal displacing resource regardless of whether the Commission approves this Program.

Q35. In addition to the White Paper, Company witness Egan testifies that using PCs from a Nevada resource “will distinguish the Program from many others like it in the United States that utilize RECs from regional renewable energy certification and tracking resources”³⁵ Please respond.

A35. The Program’s use of PCs from an in-state resource does not necessarily benefit Nevadans. As discussed above, the Program will only make a difference on the ground when it catalyzes the development of additional renewable resources for RPS compliance. There is no reason to assume that the Company’s next RPS procurement will be in Nevada. Vote Solar attempted to ascertain through discovery in these dockets whether NVE intended to acquire future RPS compliance resources in Nevada. However, NVE objected to the discovery request without response and took the position that “NV Energy’s resource procurement plans and RPS compliance are

³⁴ White Paper PDF at 11-12.

³⁵ Egan Direct at 6:13-19.

not relevant to the Subscription Solar Program, which is the subject of this docket.”³⁶

Q36. Do you agree with the Companies’ claim that the Program offers an affordable and attractive pricing option for individuals that cannot install rooftop solar or commit to a 20-year lease agreement?³⁷

A36. No. I believe it is unhelpful and confusing to compare the proposed Program with rooftop solar because the two are very different. Unlike the proposed Program, rooftop solar does provide energy directly to the individual, offer an opportunity to reduce overall energy expenditures and contribute directly to the green energy economy. The Proposal is a premium green pricing program that will charge customers a premium of \$2.00 per kW block. Each block represents 100 kWh of PCs. An average residential customer that wants to reduce the environmental impact of 100% of their electricity use will pay, on average, about \$172 per year over and above their normal electricity bill.³⁸

Moreover, presenting this Program as an alternative to owning rooftop solar creates the risk that customers will assume that the Program is an alternative means for investing in rooftop solar. For instance, KTNV Las Vegas mistakenly reported that NVE filed a proposal to give customers “a subscription option to rooftop solar.”³⁹

³⁶ NV Energy’s Objection to VS 5-01.

³⁷ Schackmuth Direct at 7:6-17.

³⁸ NV Energy’s Response to Staff 10.

³⁹ KTNV Staff, *NV Energy proposes subscription solar program* (March 8, 2017), <http://www.ktnv.com/news/nv-energy-proposes-subscription-solar-program>.

1 **Q37. Mr. Egan also states that the proposed Program would have the separate benefit**
2 **of showing “that all customers have renewable energy options” and “that even**
3 **customers who cannot afford or have access to [rooftop solar] will support**
4 **renewable energy.”⁴⁰ Is this a meaningful benefit?**

5 A37. No. First, it would not be logical for the Commission to approve a green pricing
6 program for the sake of demonstrating that the program exists. The Commission
7 should judge this Program by whether it promotes customers’ interests in renewable
8 energy.

9 Similarly, the Commission should not approve a green pricing program to give
10 customers a means of showing merely symbolic support for clean energy.

11 **C. Designing a Voluntary Program to Meet Customers’ Interests in**
12 **Renewable Energy**

13 **Q38. You mentioned that the Commission should judge this Program by whether it**
14 **promotes NVE customers’ interests in renewable energy. What are the interests**
15 **of NVE’s customers?**

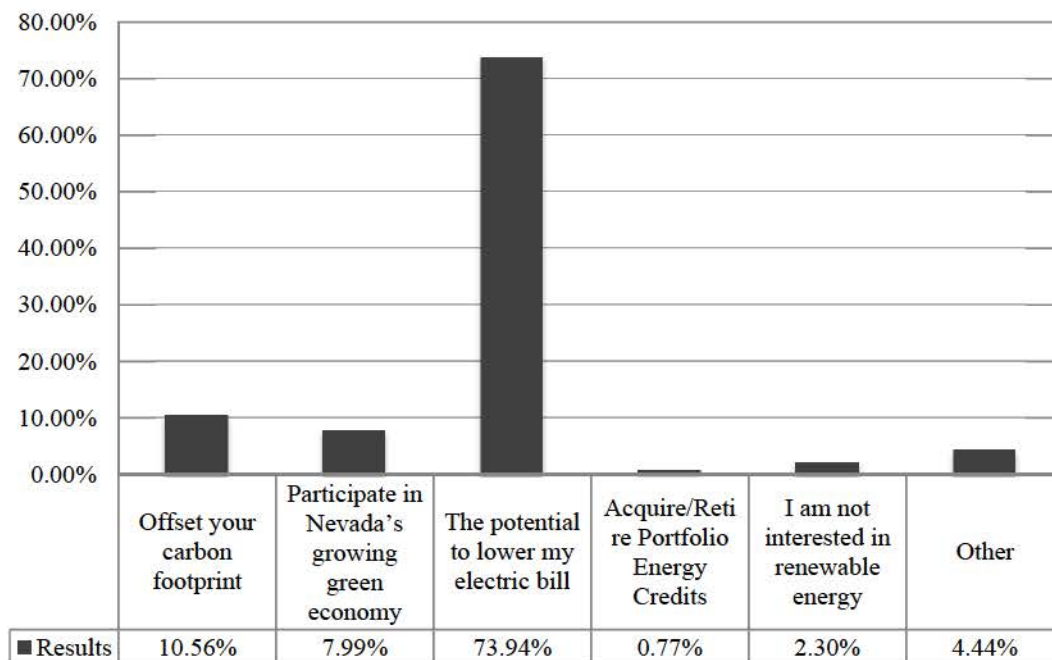
16 A38. About a year ago, the Company completed a subscription solar survey receiving
17 responses from 28,375 individuals.⁴¹ The responses to the question, “[w]hy are you
18 or your organization interested in renewable energy?” are summarized in Figure 1 as
19 follows:

⁴⁰ Egan Direct at 6:13-19.

⁴¹ PUCN Docket No. 16-07001, SPPC’s Response to VS 1-23 (attached in Ex. RG-2).

1

Figure 1. Company Survey Results (August 2015)



2 **Q39. Which of these interests, if any, does the Company's proposed program meet?**

3 A39. Of the interests mentioned in the survey, the only one the Program effectively
 4 promotes is the one that was expressed by the fewest customers: "acquire/retire
 5 portfolio energy credits." Only 0.77% of respondents professed an interest in
 6 acquiring or retiring PCs. The customers who told NVE that they were *not* interested
 7 in renewable energy outnumbered the customers who were interested in PCs.

8 **Q40. Does the Program provide an opportunity for customers to lower their electric**
 9 **bills?**

10 A40. No. NVE confirmed in discovery that the proposed Program does not provide an
 11 opportunity for customers to lower their bills.⁴² Over 73% of customers expressed an
 12 interest in renewable energy that had the potential to lower their bills—more than all

⁴² NV Energy's Response to VS 2-01.

1 of the other surveyed interests combined.

2 **Q41. Does the Program provide an opportunity for customers to participate in**
3 **Nevada’s growing green economy?**

4 A41. No. As discussed above, the Program funds are used to cover NVE’s administrative
5 costs and PC costs that all customers would otherwise pay through their volumetric
6 rates.⁴³ The Company cannot reasonably call either of those things “participation in
7 the green energy economy.”

8 **Q42. Would the Program allow customers to offset their carbon footprint?**

9 A42. It might at a later date. A carbon offset is only meaningful if it reduces emissions,
10 compared to what would have happened otherwise. As explained above, this
11 Program would not cause any new renewable resources to come online until the
12 2020s. Until the new resources come online and start displacing fossil-fuel
13 generation, they will not offset any carbon. When a customer expresses an interest in
14 offsetting their carbon footprint, my interpretation is that the customer is likely
15 expressing an interest in offsetting their carbon footprint today—not in the 2020s.
16 The intuition that carbon offsets should be contemporaneous is affirmed by climate
17 science, which indicates that near-term emissions reductions are essential. Deferred
18 action allows emissions to continue accumulating in the atmosphere, reducing the
19 likelihood we can avoid catastrophic warming.⁴⁴ Essentially, “the damage caused by

⁴³ White Paper PDF at 12 (the subscription solar rate covers PC and Program administration costs”); *id.* at 10 (“The PC sales portion of the subscriber tariff payments will be offset against fuel and purchased power expense, thereby offsetting costs for all customers.”).

⁴⁴ International Panel on Climate Change, *Climate Change 2014: Synthesis Report, Summary for Policymakers* (2015) at p. 24, https://www.ipcc.ch/pdf/assessment-report/ar5/syr/AR5_SYR_FINAL_SPM.pdf (“Delaying additional mitigation to 2030 will

1 present emissions, those for (say) this year, will tend to be greater than from future
2 emissions, e.g., those in five years time.”⁴⁵

3 **Q43. What do these survey results suggest about the proposed Program?**

4 A43. The survey results indicate that the proposed Program does not respond to the
5 interests of the Companies’ customers. The Proposal is poorly designed and does not
6 provide participants the potential to lower their electricity costs, offset their carbon
7 footprint in the near term, or participate in Nevada’s growing clean energy economy.

8 **Q44. Are there other types of utility-based, voluntary programs that would do a
9 better job of promoting the interests NVE customers expressed in the survey
10 than the Company’s green pricing program proposal?**

11 A44. Yes, the Companies could better promote those interests through a community solar
12 program. These programs are generally called “shared solar,” “community solar,” or
13 sometimes “subscription solar,” “subscriber solar” or “community solar gardens.”

14 A community solar program meets virtually all of the customer objectives identified
15 in the Company’s August 2015 survey, notably the potential to lower a customer’s
16 electric bills.

17 **Q45. What are community solar programs?**

18 A45. Community solar programs are generally characterized by an option for multiple

substantially increase the challenges associated with limiting warming over the 21st century to below 2°C relative to pre-industrial levels.”).

⁴⁵ John Rhys, *Cumulative Carbon Emission and Climate Change: Has the Economics of Climate Policies Lost Contact with the Physics?*, Oxford Institute for Energy Studies (July 2, 2011) at p. 3, <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2011/07/EV-571.pdf>.

1 customers to use, virtually, solar energy in their home or business. A subscribing
2 customer's share of the subscription product substitutes for (i.e., offsets) a portion of
3 the customers' consumption, which can provide a lower cost to the customer—
4 particularly over time, as conventional rates increase. In other words, the subscriber
5 receives a credit as if their subscription was being provided by a rooftop solar system,
6 albeit with a charge for delivery often reflected. Because the majority of residential
7 customers do not have an adequate roof space for a distributed solar application, such
8 programs are growing in popularity around the country. Importantly, shared solar
9 programs provide a way for low- and moderate-income customers to participate in the
10 green economy and access the benefits of solar resources.

11 The trade group Coalition for Community Solar Access⁴⁶ describes it this way:

12 Community solar refers to local solar facilities shared by
13 individual community members, who receive credits on their
14 electricity bills for their portion of the power produced.
15 Community solar projects provide American homeowners,
16 renters and businesses access to the benefits of solar energy
17 generation unconstrained by the physical attributes of their
18 home or business, like roof space, shading, or whether they
19 own their residence or building. These programs can also
20 expand access to solar energy to low-income households.

21
22 **Q46. Can utilities operate community solar programs that promote the interests NVE**
23 **customers expressed in the survey?**

24 A46. Yes. Utah's Rocky Mountain Power ("RMP"), the Companies' sister company,
25 received approval for a Subscriber Solar Program in 2015. RMP's program is an

⁴⁶ *About Us*, Coalition for Community Solar Access,
<http://www.communitysolaraccess.org/about-us/>.

1 example of a utility operated community solar program that promotes the interests
2 NVE's customers expressed in the survey. First, RMP used a competitive bidding
3 process to procure a 20 MW array specifically for the new Subscriber Solar Program,
4 ensuring that RMP could procure the most cost-effective resource and pass those
5 savings on to potential subscribers. RMP's program credits the energy output from
6 the solar facility to subscribers' accounts. RMP's program structure provides
7 individual subscribers the potential to save on their electricity bills, or at least lock in
8 a particular rate for a portion of their electricity supply to hedge against future price
9 increases and offer price predictability and stability. In summary, RMP's Subscriber
10 Solar Program directly contributed to the green energy economy and immediately
11 displaced fossil-fuel generation by building a new solar facility for the program, and
12 provided the potential for individuals to lower their electricity bills. As a result of
13 actually achieving substantial program benefits, RMP's Subscriber Solar program is
14 99% subscribed.⁴⁷

15 **Q47. Is there a clear distinction between community solar programs and green**
16 **pricing programs?**

17 A47. Yes. The distinction between the two categories of programs is clear, even though
18 the categories both have a few different names and each individual program has a
19 unique design. Community solar programs provide a defined credit associated with
20 the underlying project that reduces, virtually, the conventional energy consumed from
21 the grid. In contrast, green pricing programs generally allow simple contributions to

⁴⁷ *Utah Subscription Solar Program*, Rocky Mountain Power,
<https://www.rockymountainpower.net/subscriber>.

1 the utility to support⁴⁸ renewable energy, with no direct economic benefit to the
2 customer. In the case of the Company’s proposal here, because the PCs will be
3 assigned from a preexisting project that the Company is already obligated to buy
4 from, premium payments would not directly support development of additional
5 renewable energy.

6 **IV. Addressing the High Risk of Customer Confusion about the Program**

7 **Q48. Please explain why you are concerned customers will be confused about the**
8 **Program.**

9 A48. I am concerned about customer confusion for several reasons. First, the Company
10 has used the label “subscription solar” to describe the program, which may lead
11 customers to believe they are subscribing to solar energy. Second, without careful
12 education, customers are unlikely to understand what they are paying for and that this
13 program will not provide any environmental benefits until the 2020s. Third,
14 customers may mistake the environmental and economic benefits of Boulder Solar I
15 for benefits of the Program, when in fact that facility exists for reasons that have
16 nothing to do with the Program. To ensure proper Commission oversight of Program
17 advertising, the Commission should require the Companies to file all outreach
18 materials in this docket 30 days before publication.

19 **A. Labeling the Program**

20 **Q49. Why is it confusing to call the Program “subscription solar”?**

⁴⁸ Usually in the form of making up the difference between the cost of the historically more expensive solar resource and the alternative conventional resource.

1 A49. As discussed above, “subscription solar” is a term that is only appropriate for a
2 community solar program. In community solar, “subscriber” is a term of art that
3 refers to a customer who subscribes to a community solar garden and a “subscription”
4 means a contract between the entity that owns or operates a community solar garden
5 and the subscriber, setting forth the subscriber’s proportional interest in a community
6 solar garden.⁴⁹ A bill recently introduced by U.S. Senators Bennett (Colorado) and
7 Heinrich (New Mexico) also defines the term “Subscriber” to mean “an electricity
8 customer who receives direct economic benefits associated with the proportional
9 output of the community solar facility of the customer.”⁵⁰
10 In 2015, the Company also used the terms “community” and “subscription”
11 interchangeably.⁵¹ When NVE took the initial steps to develop a community solar
12 program in 2015, it referred to that program as its “Subscription Solar Pilot
13 Program.”⁵² Similarly, NVE’s sister utility, Rocky Mountain Power, calls its
14 community solar program “Subscriber Solar.”⁵³

⁴⁹ Assembly Amendment No. 1138 to Senate Bill No. 392 Second Reprint at §§ 5, 9 (March 20, 2017),

https://www.leg.state.nv.us/Session/79th2017/Bills/Amendments/A_SB392_R2_1138.pdf.

⁵⁰ Community Solar Consumer Choice Act of 2017 at 2:5-9,

<https://www.scribd.com/document/354960110/Community-Solar-Consumer-Choice-Act-of-2017>.

⁵¹ NV Energy’s Response to VS 2-03.

⁵² NV Energy’s Response to VS 2-03; *see also* Jason Hidalgo, *NV Energy proposes new community solar subscription program*, Reno Gazette-Journal (Sept. 14, 2015), <http://www.rgj.com/story/money/business/2015/09/11/nv-energy-proposes-new-community-solar-subscription-program/72088562/>.

⁵³ *Utah Subscription Solar Program*, Rocky Mountain Power, <https://www.rockymountainpower.net/subscriber>.

1 **Q50. Why would you worry about customers having preconceived notions about what**
2 **“subscription solar” is in Nevada, where there are no community solar**
3 **programs?**

4 A50. An ordinary customer may assume that a “subscription solar” program allows her to
5 subscribe to solar energy because that is what the name implies. However, the
6 Program does not allow customers to subscribe to solar energy, as the Companies
7 admitted in discovery.⁵⁴ In this context, the term is inherently misleading and could
8 cause customers to purchase a product without fully understanding what the product
9 is.

10 Moreover, even though Nevada does not have community solar now, it may in the
11 future. Careful oversight today can help avoid confusion between this Program and
12 community solar offerings tomorrow.

13 **Q51. What do you recommend the Commission do to ensure customers are not**
14 **exposed to confusing terminology?**

15 A51. The Commission should direct the Companies to not use any of the following terms
16 to describe the Program: subscription solar, community solar, shared solar, subscriber
17 solar, subscription, subscriber, and solar gardens. Under this recommendation, the
18 Companies could refer to the Program as a green pricing program, a green tariff
19 program, or by a proprietary name (like Pacific Power’s “Blue Sky”).

20 **B. Educating Customers about the Program and its Benefits**

21 **Q52. Are you concerned about the Company including a clear and accurate**
22 **description of the program and its benefits in marketing materials?**

⁵⁴ NV Energy’s Response to VS 3-10.

1 A52. Yes. As I discuss earlier in my testimony, the Company’s description of the Program
2 in its White Paper and supporting testimony contain several confusing and potentially
3 misleading statements.⁵⁵ To date, the Company failed to clearly articulate what this
4 Program does for customers. I believe many intelligent customers would read the
5 Company’s descriptions and think that the Program allows customers to purchase
6 clean energy or fund renewable energy development. But the Program does neither.
7 Here are specific examples of misleading statements in the White Paper, supporting
8 testimony, and the NVE press release about the proposal:

- 9 • “This Program offers eligible customers a simple way to purchase renewable
10 resources . . .”⁵⁶
- 11 • “If the program is approved as filed by the PUCN, eligible customers will be able
12 to subscribe monthly to 100 kilowatt-hour (kWh) ‘blocks’ of solar energy.”⁵⁷
- 13 • “[T]he Program offers a convenient and low cost way to have renewable energy
14 match [customers’] energy use.”⁵⁸
- 15 • “The Program effectively accelerates demand for the next renewable resource.”⁵⁹
- 16 • “This Program also provides a simple way for customers to participate in the
17 green energy economy . . .”⁶⁰
- 18 • The Program will give “customers the option to meet up to 100 percent of their
19 energy needs with renewable energy.”⁶¹
- 20 • The Program “provides a new solar option for customers to participate in the
21 renewable energy market . . .”⁶²

⁵⁵ Supra, Section III.B.

⁵⁶ White Paper at PDF 8, 11, 14.

⁵⁷ NVE Press Release (attached as Exhibit RG-3).

⁵⁸ Egan Direct at 3:13-15.

⁵⁹ White Paper at PDF 11.

⁶⁰ White Paper at PDF 10; *see also* Schackmuth Direct at 3:18.

⁶¹ NVE Press Release (attached as Exhibit RG-3).

⁶² Schackmuth Direct at 7:9-10.

1 **Q53. How do you recommend the Commission ensure customers receive a clear**
2 **explanation of what they would be paying for if they participate in this**
3 **Program?**

4 A53. First, I recommend the Commission direct NVE to not use any of the false or
5 misleading statements listed above in their marketing materials for the Program.
6 Second, I recommend that the Commission approve a specific description of the
7 program and its benefits for the Company to use in its marketing. I recommend the
8 following program description:

9 The proposed Program offers individuals the opportunity to retire
10 Portfolio Credits from an existing solar resource to reduce the
11 environmental impact of their electricity. Although the energy you use
12 today would not be any different because of your participation in this
13 Program, the retirement of PCs will lead your utility to acquire more
14 renewable resources in the future. Participants will not receive the
15 actual energy output from the solar facility or the opportunity to
16 reduce their electricity bills. The proposed green tariff is in addition to
17 your normal electricity rates. Participating in the program will allow
18 individuals and businesses to achieve their own environmental and
19 sustainability goals by claiming a certain portion of the electricity used
20 is green.

21
22 **C. Distinguishing the Program's Benefits from Boulder Solar's Benefits**

23 **Q54. Why are you concerned that customers may mistake the environmental and**
24 **economic benefits of Boulder Solar I for benefits of the Program?**

25 A54. The White Paper in the Companies' original filings in these dockets first raised these
26 concerns. The White Paper purported to provide "a summary of the Program's key
27 benefits," which included the benefits that resulted from the development of Boulder
28 Solar I: (1) "The renewable resource is located in Nevada and its construction and
29 ongoing operations benefit Nevadans"; and (2) "Displacement of Coal" because "[a]s

an ERCR asset, the proposed resource was built expressly to displace coal fired generation.”⁶³ As discussed above, NVE cannot reasonably attribute these benefits to the Program because the development of Boulder Solar is already complete and entirely independent of the Program.

Q55. How do you recommend the Commission address these concerns?

A55. I recommend that the Commission direct the Companies to not refer to the environmental and economic benefits of Boulder Solar I in marketing materials for the Program. NVE confirmed in discovery that it does not intend to claim in its marketing materials for the Program that its benefits include the construction, ongoing operations, or coal displacement of Boulder Solar I.⁶⁴ The Commission should ensure that the Companies stay true to this stated intention.

D. Oversight of Marketing Materials

Q56. How should the Commission ensure its instructions regarding marketing are properly implemented?

A56. I recommend the Commission require NVE to file all marketing and outreach materials for the Program at least 30 days before they are used publicly or sent to customers in a compliance filing. The compliance filing (or filings) should include the MyAccount messages, web site, bill inserts, mass media advertisements, press releases, welcome kits, and any other communications with customers about the Program.⁶⁵ Compliance filings would give the Commission and parties an opportunity to review marketing and outreach materials for accuracy, clarity, and

⁶³ White paper at PDF 11-12.

⁶⁴ NV Energy’s Response to VS 2-12; NV Energy’s Response to VS 2-13; NV Energy’s Response to VS 2-16.

⁶⁵ See Schakmuth Direct at 12:23-13:9.

1 consistency with any Commission directives. To be clear, the compliance filings
2 would serve a distinct purpose from my recommendations for Commission directives
3 regarding the content of outreach materials; a Commission directive to, say, not refer
4 to the Program as “subscription solar” will reduce the potential for misleading
5 statements in the Company’s marketing, but such a directive will not address
6 unanticipated problems or be self-enforcing. Requiring the Companies to submit their
7 marketing material, which includes standardized information and messaging
8 disseminated to customers and any employee training materials, is consistent with
9 other utility-led programs.⁶⁶

10 V. Clarifications to Tariff Language

11 **Q57. How should the Commission clarify the proposed tariff sheets to describe the**
12 **proposed Program?**

13 A57. The Commission should modify the tariffs to clarify that this is a green pricing
14 program and that customers are subscribing to PCs, rather than renewable energy.
15 Specifically, the Commission should:

- 16 1. Remove the phrase “bundled power” from the definition of Renewable
17 Energy. This Program does not allow customers to subscribe to bundled
18 power, as the Company admits.⁶⁷ The reference to bundled power is

⁶⁶ Order Approving Shared Solar Pilot Program With Modification, *Petition of Consolidated Edison Company of New York, Inc. for Approval of a Pilot Program for Providing Shared Solar to Low-Income Customers*, State of New York Public Service Commission Case 16-E-0622, issued on August 2, 2017, <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7BB904C859-26ED-47CC-9812-BAC5C05D2801%7D>.

⁶⁷ NV Energy’s Response to VS 2-19.

unnecessary and may incorrectly imply the opportunity to subscribe to bundled power.

2. Replace the term “renewable energy” with “renewable energy certificates” or “portfolio energy credits.” This change is necessary to clarify that this Program does not provide the opportunity to subscribe to renewable energy, as the Company admits.⁶⁸

3. Replace sentences referring to “new Renewable Energy” with language that clarifies the Program’s reliance on existing resources: “100% of PCs purchased under this offering come from an existing solar resource known as Boulder Solar I.”

4. Replace the definition of the term “block” with language that clarifies what individuals are purchasing: blocks represent “only the purchase of PCs from an existing resource and not energy from that resource”. Add additional clarifying language: “Participation does not cover the costs of any new incremental energy or capacity. Individuals that sign up for the program will not see a reduction in their energy bills.”

I have attached a red-lined Tariff sheet for Nevada Power Company that includes each of my recommended modifications as Exhibit RG-3.

Q58. Are your recommendations consistent with clarifying modifications that have been made to tariffs for similar green pricing programs in other states?

⁶⁸ NV Energy’s Response to VS 3-11.

1 A58. Yes. In Oregon, the Public Utilities Commission Staff recently negotiated similar
2 changes to a Blue Sky program tariff sheet.⁶⁹ Many of the recently negotiated changes
3 to Oregon’s Blue Sky Program tariff sheet are applicable to the Companies’ proposal.
4 These include:

- 5 • Removing “bundled power” from the tariff. The Staff explained that this edit was
6 meant to “alleviate stakeholder concerns that customers might think they are
7 receiving renewable energy under the tariff.”⁷⁰
- 8 • Replacing “renewable energy” with “renewable energy certificates.” This
9 revision was meant to “eliminate confusion as to whether an energy transaction is
10 occurring under the tariff.”⁷¹
- 11 • Clarify the term “block”: 1 block equals 100 kWh of Renewable Energy
12 Certificates.
- 13 • Changes to tariff language from “Offering must consist of 100% new renewable
14 energy” to: “100% of the RECs purchased under this offering must originate from
15 New Renewable Energy resources”.

16 VI. Ongoing Verification and Commission Oversight

17 **Q59. Do you have any other concerns the Commission should address?**

18 A59. Yes. I have included detailed recommendations regarding the Companies tariff,
19 appropriate marketing and messaging around the program. I have also included clear
20 concerns around “additionality” and the fact that the Companies proposal does not

⁶⁹ Staff Report, *Changes to Schedule 272 Renewable Energy Rider Optional Bulk Purchase Option*, Public Utility Commission of Oregon Docket No. ADV 386/Advice No. 16-012, dated July 31, 2017 (“Oregon Staff Report”), <http://edocs.puc.state.or.us/efdocs/HAU/adv386hau84050.pdf>.

⁷⁰ Oregon Staff Report at 3.

⁷¹ Oregon Staff Report at 4.

1 meet the interests of its consumers. To that end, if the Program is approved with these
2 recommended modifications, the restrictions or Program marketing may not be
3 reflective of a subsequent Program expansion. Any Program expansion should be
4 submitted to the Commission for approval to ensure the marketing claims continue to
5 be reflective of the Program offering and that future program expansion results in
6 additional renewable energy in Nevada.

7 The Commission should also require annual reporting on the Program. Annual
8 Reporting should include the number of PCs sold, actual administrative costs, a
9 calculation of excess revenue and supporting evidence for that calculation. In
10 addition, annual Program reporting should include the number of customers
11 participating, enrollments and de-enrollments (attrition), average length of customer
12 participation term (to-date), levels of participation (percentage of average annual
13 usage), and other pertinent facts.

14 **Q60. Are there any other ways to verify the integrity of the Program?**

15 A60. Yes. The Green-e National Standard is widely regarded as the industry standard for
16 green pricing programs. Green-e was established to protect customers and ensure
17 voluntary renewable energy transactions across the U.S. abide by the appropriate
18 guidelines, disclosures and standards. Green-e Energy Certified RECs are those that
19 have been verified, come from new projects, and have not been double-counted
20 towards the state's renewable energy standard. Pacific Power's Blue Sky program,
21 one that is regularly referenced in the testimony of Mr. Egan, is also Green-e Energy
22 certified. According to the Blue Sky program's website, "Green-e Energy certifies
23 that the Blue Sky program meets the minimum environmental and consumer

1 protection standards established by the non-profit Center for Resource Solutions that
2 were developed in conjunction with leading environmental, energy and policy
3 organizations.”⁷² The Commission should require the Companies to meet the Green-e
4 National Standard to protect Nevada’s citizens interested in the program, and provide
5 additional oversight of the Programs marketing claims and PC accounting.

6 VII. Recommendations

7 Q61. What do you recommend the Commission do in this proceeding?

8 A61. To ensure that NVE’s customers are offered the benefits of solar energy, benefits that
9 customers have told NVE that they want, I recommend that the Commission reject the
10 Companies’ proposal and direct the Companies to propose a shared solar program
11 that develops a new solar resource.

12 In the alternative, the Commission should only approve the Companies’ green pricing
13 program proposal if it is modified in the following ways:

- 14 • Any expansion of the Program beyond the first 10 MW must incorporate a new
15 dedicated solar facility that directly displaces fossil-fuel generation.
- 16 • The Program name and description must be modified to mitigate the significant
17 risk of customer confusion that currently exists. Specifically, the Program must
18 be renamed so that it is clear to customers that the offering is a green pricing
19 program, and marketing materials and tariff language must reflect the
20 characteristics of the actual offering by:

⁷² Rocky Mountain Power, Frequently Asked Questions, “How do I know I am getting what I pay for?,” *available at* <https://www.rockymountainpower.net/env/bsre/faq.html>.

1. Prohibiting the Companies from using the term “subscription solar” or similar terms, such as “community solar” “shared solar” or “solar gardens,” to describe the program. These terms (or any other term that is used interchangeably with “community solar”) all refer to offerings that allocate the energy from a single solar generating facility to multiple individual subscribers.
2. Prohibiting the Companies from referring to the construction and ongoing benefits of Boulder Solar I in its marketing materials for the Program. Boulder Solar I is an existing solar resource that will continue to operate regardless of whether the Commission approves this Program. Thus, the benefits that Boulder Solar I provides, including ongoing clean energy generation and reduced pollution, are not attributable to this Program. Furthermore, the economic benefits of building the facility would have occurred in the absence of the Program.
3. Directing the Companies to include the following specific language in their marketing materials in order to provide an accurate program description and important disclaimers about the Program:

The proposed Program offers individuals the opportunity to retire Portfolio Credits from an existing solar resource to reduce the environmental impact of their electricity. Although the energy you use today would not be any different because of your participation in this Program, the retirement of PCs may lead your utility to acquire more renewable resources in the future. Participants will not receive the actual energy output from the solar facility or the opportunity to reduce their electricity bills. The proposed green tariff program is in addition to your normal electricity rates.

1 Participating in the program will allow individuals and
2 businesses to achieve their own environmental and
3 sustainability goals by claiming a certain portion of the
4 electricity used is green.
5

6 4. Requiring the Companies to file marketing materials in these consolidated
7 dockets at least 30 days before they are sent to customers, providing Staff
8 and intervenors an opportunity to review and raise objections to any
9 misleading marketing materials.

10 5. Modifying the language of the tariff sheets to clarify that the offering is a
11 green pricing program and that customers are purchasing PCs only, rather
12 than renewable energy or bundled power (i.e., a product that “bundles”
13 energy and PCs together).

14 6. Requiring the Companies to file annual reports on the Program that
15 include: the number of PCs sold; actual administrative costs; a calculation
16 of excess revenue and supporting evidence for that calculation; the number
17 of customers participating; enrollments and de-enrollments (attrition);
18 average length of customer participation term (to-date); levels of
19 participation (percentage of average annual usage), any changes to
20 previously approved marketing materials, and other pertinent facts the
21 Commission deems appropriate.

22 **Q62. Does this conclude your testimony?**

23 **A62.** Yes, it does.

Exhibit RG-1: Statement of Qualifications

James F. “Rick” Gilliam
Program Director, Vote Solar
rick@votesolar.org
303-550-3686

Professional Employment

January 2012 to Present: Program Director, DG Regulatory Policy, Vote Solar. Manage technical and policy research for Vote Solar, and engage in state, regional, and national campaigns related to distributed solar generation. Expert witness in many formal state regulatory proceedings addressing issues related to distributed solar resources.

March-April 2012: Solar Energy Industries Association - Under a short term contract with SEIA to participate in an Xcel Energy distributed solar generation Technical Review Committee and to manage consulting support also under contract to SEIA.

January 2007 to January 2012: SunEdison, LLC - Various solar policy related positions beginning with Director of Interior West Policy to Managing Director of Western Policy (July 2007), to Vice President of North American Government Affairs (July 2009) to Global Policy Advisor (July 2011). In each of these roles, directed and managed policy research, development and implementation for the company for the various geographies identified at the regulatory and legislative levels.

June 2011 to December 2011: Chair of the Solar Alliance Board.

Dec 1994 to Jan 2007: Senior Energy Policy Advisor, Western Resource Advocates (formerly the Land and Water Fund of the Rockies), Boulder, Colorado. Develop innovative clean energy and air quality public policies within the economic and cultural framework unique to this region. Lead environmental advocate in development of Arizona Environmental Portfolio Standard, Nevada Renewable Portfolio Standard implementation rules, Colorado Renewable Energy Standard legislative proposals, and the 2003 Utah Renewable Energy Standard legislative proposal. Principal author of Colorado’s Amendment 37 and lead advocate for related PUC rule development.

Jan 1983 to Dec 1994: Director of Revenue Requirements, Public Service Company of Colorado, Denver, Colorado. Primary responsibility for development of formal rate-related filings for this investor-owned utility for electric, gas, and thermal energy service in two states and the FERC. Developed and responded to a variety of proposed mechanisms to encourage the use of energy efficiency technologies, including innovative rate design approaches.

Dec 1976 to Dec 1982: Technical Witness (Engineer), Federal Energy Regulatory Commission, Washington, D.C. Testified as expert witness on behalf of the FERC in wholesale rate filings on technical, accounting, and economic issues related to rate design, pricing, and other issues.

Education

Masters, Environmental Policy and Management, University of Denver, Denver, Colorado

Bachelor of Science, Electrical Engineering, Rensselaer Polytechnic Institute, Troy, New York

Summary of Formal Testimonies and Rulemaking Participation

Representing Vote Solar

- PacifiCorp/RMP Docket No. 14-035-114: Costs and Benefits of Net Energy Metering
- Kansas Corporation Commission Investigation Docket 16-GIME-403-GIE: Rate Design for Distributed Generation Customers
- Public Service Company of CO Docket 16A-0546E: Decoupling
- Sierra-Pacific Power Company Docket 16-06006, et al: GRC Phase 2
- Sierra-Pacific Power Company Docket 16-07001, et al: IRP
- Public Service Company of CO Docket 16AL-0048E, et al: Three docket settlement
- Public Service Company of CO Docket 16AL-0048E: GRC Phase2
- Public Service Company of CO Docket 16A-0055E: Solar*Connect 2 Subscription Proposal
- Nevada Energy Docket No. 15-07041, et al.: Cost of Service Study and Net Metering Tariffs
- El Paso Electric Company Case No. 15-00127-UT: General Rate Case
- Public Service Company of CO Docket 13AL-0958E: Qualifying Facilities Rates/Remand
- Public Service Company of CO Docket 14A-0302E: Solar*Connect Subscription Proposal
- We Energies (WI) Docket No. 05-UR-107, General Rate Case
- Rocky Mountain Power (UT) Docket No. 13-035-184: General Rate Case
- Public Service Company of CO Docket 13AL-0958E: Qualifying Facilities (QF) Rates
- Public Service Company of CO Docket 13A-0836E: 2014 RES Compliance Plan
- Public Service Company of CO Docket 13AL-0695E: Line Extension Policy
- Idaho Power Company, Case No. IPC-E-12-27, Net Metering Service
- Arizona Public Service, et al., Docket No. E-01345A-10-0394, et al., RES Compliance
- New Mexico PRC Case No. 11-00218-UT: Renewable Portfolio Standard Reasonable Cost Threshold
- Tucson Electric Power Docket No. E-01933A-12-0291: General Rate Case

Representing Sunedison LLC

- Public Service Co of New Mexico Case No. 10-00037-UT 2010 Procurement Plan
- Public Service Company of CO Docket 09A-772E: 2010 Compliance Plan
- Public Service Company of CO Docket 09AL-299E: 2009 Rate Case Phase 2
- Public Service Company of CO Docket 08A-532E: 2009 Compliance Plan
- Colorado PUC Rulemaking Docket 08R-424E: Renewable Energy Standard Rules
- New Mexico PRC Case No. 08-00084-UT: Reasonable Cost Threshold Rulemaking
- Nevada PUC Docket No. 07-10007: Petition for Declaratory Order re 3rd party ownership
- Public Service Company of CO Docket 07A-447E: 2007 Resource Plan
- Public Service Company of CO Docket 07A-462E: 2008 Compliance Plan
- New Mexico PRC Case No. 07-00157-UT: RPS Rulemaking; diversity standard
- Public Service Company of CO Docket 06A-478E: 2007 Compliance Plan
- Public Service Company of CO Docket 06A-534E: Approval of Alamosa Contract

Representing large commercial customers

- Nevada Power Company Docket No. 02-11037: Electric Tariff Rule related to loss factor associated with metering secondary service at primary level
- Nevada Power Company Docket No. 02-5044: Electric Tariff Rule related to metering

Representing Western Resource Advocates (formerly the Land and Water Fund of the Rockies)

- CO: PSCo Docket 06S-234EG: 2006 Rate Proceeding - Windsource issue
- CO: PSCo Docket 05A-112E: Renewable Energy Standard Rulemaking
- CO: PSCo Docket 05A-288E: Electric Quality of Service Monitoring & Reporting Plan: 2007-08
- CO: PSCo Dockets 06S-016E: Renewable Energy Service Adjustment
- CO: PSCo Consolidated Dockets 04A-214E, 215, 216E: Least-cost Resource Plan
- CO: PSCo Docket No. 04S-164E: Windsource Program & Net Metering in GRC Phase 2
- CO: PSCo Docket 02S-315EG: 2002 Rate Proceeding - Windsource issue
- NV: Nevada Power Company Docket No. 01-7016: Demand-side Management Programs
- UT: PacifiCorp Rate Case Docket No. 01-035-10: Demand-side Mgt Cost Recovery
- CO: PSCo Docket No. 00A-008E: IRP - DSM & Wind Resources
- UT: PacifiCorp Rate Case Docket No. 99-035-10: System Benefit Charge Proposal
- AZ: Arizona Restructuring Rulemaking Docket No. 99-205: Renewable Portfolio Standard
- CO: PSCo Docket No. 98A-511E: Air Quality Improvement Rider
- AZ: Arizona Restructuring Rulemaking Docket No. 94-165: Stranded Cost Proceeding
- NV: Nevada Power Company Docket No. 94-7001 (Refiled): Integrated Resource Plan
- NM: Southwestern Public Service Case No. 2678: Merger Proceeding
- CO: PSCo Docket No. 95A-531EG: Merger Proceeding

Representing Public Service Company of Colorado

- PSCo Rate Revenue Requirements Proceeding Docket No. 93S-001EG
- PSCo Demand-side Management & Decoupling Proceeding Docket No. 91A-480EG
- PSCo Incentive Regulation Investigation Docket No. 93I-199EG
- PSCo Rate Proceeding Docket No. 91S-091EG
- PSCo Fort St. Vrain Supplemental Settlement Agreement Docket No. 91A-281E
- Various PSCo FERC rate proceedings, and subsidiary rate proceedings

Representing the Staff of the Federal Energy Regulatory Commission

- Connecticut Light & Power Company, Docket ER 82-301
- Kentucky Utilities Company, Docket ER 81-341
- Philadelphia Electric Company, Docket ER 80-557, et al.
- Minnesota Power & Light Company, Docket ER 80-5
- Boston Edison Company, Docket ER 79-216, et al.
- Connecticut Light & Power Company, Docket ER 78-517
- South Carolina Electric & Gas Company, Docket ER 78-283
- Minnesota Power & Light Company, Docket ER 78-245
- New England Power Company, Docket ER 78-78
- New England Power Company, Docket ER 77-97

Exhibit RG-2:
Discovery
Responses and
Objections
Referenced in
Testimony

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	06-12-2017
REQUEST NO:	VS 2-01	KEYWORD:	Subscribing Customers
REQUESTER:	Gersen	RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Please confirm that the Voluntary Subscription Solar Pricing Program you propose in Docket Nos. 17-03009 and 17-03010 will not provide subscribing customers a new opportunity to reduce their electric bills.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

Confirmed. This program is a renewable energy participation program that, like similar programs nationally, provides customers with the opportunity to offset their usage with renewable energy.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	06-12-2017
REQUEST NO:	VS 2-03	KEYWORD:	Low Knowledge of Community Solar
REQUESTER:	Gersen	RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Refer to 17-03009-BCP 1-8 Attach 02, Slide 8. Please provide the basis for the conclusion that customers had “Low knowledge of the ‘community’ solar concept.” Your answer should include all Company survey questions and results related to community solar.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

At the time the survey was implemented in 2015, the words “community” and “subscription” solar were used interchangeably. For example, on Slide 2, the third bullet down states “Customers are generally unaware of the Subscription Solar concept”. A general conclusion was made that people needed more information about community and subscription solar programs based upon the survey results that 51 percent of the people responded to the answer “Don’t know” and of the 1,218 “Other” responses people responded that they mostly wanted to learn about their options. Upon request, the complete electronic survey results can be made available onsite for review.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	06-12-2017
REQUEST NO:	VS 2-05	KEYWORD:	Renewable Resources Definition
REQUESTER:	Gersen	RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Refer to the Executive Summary of the White Paper. Please define the “renewable resources” that the proposed Program offers eligible customers an opportunity to purchase.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

As stated in other data request responses, the Program as being introduced does not offer a specific renewable resource for customers to purchase. Instead, the Program offers customers the opportunity to subscribe to portfolio energy credits from designated solar facilities.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	06-12-2017
REQUEST NO:	VS 2-07	KEYWORD:	White Paper
REQUESTER:	Gersen	RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Refer to the Executive Summary of the White Paper. Please define “subscription solar pricing program.” Is the NV GreenEnergy Rider a subscription solar pricing program? How does the Company’s definition of a “subscription solar pricing program” differ from a green tariff or green pricing program?

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

The Subscription Solar Program is a voluntary green power pricing option for customers (residential and small commercial and industrial) that do not qualify for the NV GreenEnergy Rider tariff. The NV GreenEnergy Rider is a voluntary green power pricing program for large commercial and industrial customers who execute a contract with the Company for the portfolio energy credits and benefits associated with a dedicated resource. Unlike the NV GreenEnergy Rider, the Subscription Solar Program’s rate is not tied to an exclusive resource, does not have a contract term and provides flexible and affordable means for smaller customers to satisfy their desire to offset their energy usage from renewable resources, without having to install a private generation system on their premise.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	06-12-2017
REQUEST NO:	VS 2-10	KEYWORD:	White Paper
REQUESTER:	Gersen	RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Refer to footnote 6 of the White Paper. Please confirm that the proposed \$2 rate for a 100 kWh block recovers on average \$0.31 for Portfolio Energy Credit ("PC") costs and \$1.69 for administrative costs if the Program is fully subscribed. If your answer is anything but an unqualified "confirmed," please provide a breakdown of the costs recovered through the proposed subscription rate.

RESPONSE CONFIDENTIAL (yes or no): No

ATTACHMENT CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: One

RESPONSE:

Confirmed. Please see attachment 17-03009 - VS 10-Attach 01.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	06-12-2017
REQUEST NO:	VS 2-12	KEYWORD:	White Paper
REQUESTER:	Gersen	RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Refer to the Community section of the White Paper. Please state whether the Company intends to advertise the construction of the program resource as a benefit of the subscription solar program. If your answer is anything but an unqualified "No," please explain how the proposed Program contributes to the construction of Boulder Solar I.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

No. The Subscription Solar Program as initially offered is not a resource specific program.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	06-12-2017
REQUEST NO:	VS 2-13	KEYWORD:	White Paper
REQUESTER:	Gersen	RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Refer to the Community section of the White Paper. Please state whether the Company intends to advertise the ongoing operation of the program resource as a benefit of the subscription solar program. If your answer is anything but an unqualified "No," please explain how the proposed Program contributes to the ongoing operation of Boulder Solar I.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

No. See VS 2-12.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	06-12-2017
REQUEST NO:	VS 2-15	KEYWORD:	RPS Compliance
REQUESTER:	Gersen	RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Please specify the date each NVE operating company will need to procure additional renewable resources for RPS compliance:

- (a) If the Commission does not approve the subscription solar program;
- (b) If the Commission approves the 10 MW subscription program proposed in dockets 17-03009 and 17-03010 and the program is fully subscribed; and
- (c) If the Commission approves a 45 MW subscription program, as contemplated in the fourth numbered paragraph in the Program Background section of the White Paper, and the program is fully subscribed.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

(a) Please see Appendix 5 of the 2016 RPS Compliance Report, in Docket No. 17-03044. If the Commission does not approve the Subscription Solar Program, Nevada Power is projected to have sufficient credits to meet the RPS through 2026, Sierra through 2020.

(b) If the Commission approves the subscription solar program, the projected dates that both utilities would be non-compliant with the RPS are the same as above. The difference between approval and non-approval is not the timing of when new renewable generating resources would be needed, but rather in the amount of new resources needed. With the Subscription Solar Program, that need would increase.

(c) The Company does not anticipate using capacity from a resource dedicated to its RPS compliance beyond the initial 10 MW of the subscription solar program. As a result, the response is the same as subsection (b).

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	06-12-2017
REQUEST NO:	VS 2-16	KEYWORD:	White Paper
REQUESTER:	Gersen	RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Refer to the Displacement of Coal section of the White Paper. Please state whether the Company intends to advertise displacement of coal as a benefit of the subscription solar program. If your answer is anything but an unqualified "No," please explain how the proposed Program causes the displacement of coal.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

No.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	06-12-2017
REQUEST NO:	VS 2-19	KEYWORD:	Tariff Sheets
REQUESTER:	Gersen	RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Refer to the first Special Condition in the proposed Tariff Sheets. Please state whether the Company's proposal in Docket Nos. 17-03009 and 17-03010 would allow eligible customers to subscribe to blocks of "bundled power." If yes, please explain how.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

No.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	07-21-2017
REQUEST NO:	VS 3-03	KEYWORD:	Capacity Increase
REQUESTER:		RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Please refer to the Company's response to VS 2-04. If the Program is approved as proposed, does NVE believe it needs to secure Commission approval before increasing the capacity of the Program beyond the initial 7.33 MW? If yes, please explain how the Company would go about seeking Commission approval. If not, please explain why not.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

The Company does not believe it needs Commission approval to increase the capacity of the Program beyond the initial 7.33 MW, but defers to the judgment of the Commission, as this is a program that would be new to Nevada and our customers. The Company explains in its filing that if the 10 MW is fully subscribed, it has reserved an additional 5 MW of capacity from the Techren Solar 2 project that could be used to support future growth. However, if the Companies desire to develop or enter into an agreement for a new resource that will be dedicated to the Program, the Companies would seek Commission approval for the new project.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	07-21-2017
REQUEST NO:	VS 3-10	KEYWORD:	Program Rules
REQUESTER:		RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Please confirm that the proposed Program does not allow customers to subscribe to energy or electricity.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

Confirmed.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	07-21-2017
REQUEST NO:	VS 3-11	KEYWORD:	NCARE Agreement
REQUESTER:		RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Please refer to the Company's response to VS 2-20. Does the Company intend for the proposed Program to satisfy the provision in the December 30, 2014, side agreement with NCARE to "incorporate the concept of a community solar program"?

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

The above question omits relevant language from paragraph 1 of the side agreement with NCARE. Specifically, "The new green energy program would be a voluntary renewable energy subscription program, pursuant to which residential and commercial customers interested in obtaining solar resources to meet their individual energy demand would be able to subscribe to a program that supports the development of renewable energy. Portfolio Energy Credits under the program would not be used to meet the Nevada Utilities' Renewable Portfolio Standard." Based upon this additional language, the Company does believe the Program as proposed satisfies this provision. However, the Companies have already met their obligations to satisfy this provision in the originally proposed subscription solar program filed in Docket Nos. 15-07004 and 15-08011.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	07-31-2017
REQUEST NO:	VS 4-07	KEYWORD:	Egan Direct
REQUESTER:		RESPONDER:	Melaragno, Johanna

REQUEST:

Question: Refer to page 9, lines 4-14, of the Direct Testimony of Patrick Egan.

a. Please define the terms “administrative Program costs” and “Program costs” as they are used in the referenced paragraph.

b. Please confirm that this paragraph describes the proposed mechanism for recovering administrative Program costs only (i.e. the mechanism would not recover the costs of RECs or the solar generation facilities).

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

a. Administrative Program costs and Program costs both refer to the costs associated with delivering the Program.

b. This is confirmed.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	07-31-2017
REQUEST NO:	VS 4-12	KEYWORD:	Schackmuth Direct
REQUESTER:		RESPONDER:	Schackmuth, Kelly

REQUEST:

Question: Refer to page 3, lines 8-9, of the Direct Testimony of Kelly Schackmuth.

- a. From whom will the Companies purchase RECs in an equal amount to customer participation, and when?
- b. Who owns the RECs generated at the Boulder Solar I facility?
- c. Will the proposed Program retire or otherwise involve RECs other than those generated at Boulder Solar I? If so, please explain how.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

- a.) The Companies will purchase the RECs from Boulder Solar I.
- b.) Boulder Solar I generates the renewable energy associated with the RECs, which are sold to Nevada Power pursuant to a power purchase agreement.
- c.) Initially as proposed, the Program will only use RECs from Boulder Solar I. However, depending on customer demand, the Companies have reserved additional RECs with the Techren Solar 2 project for the Program.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	17-03009	REQUEST DATE:	05-01-2017
REQUEST NO:	Staff 10	KEYWORD:	Subscription Solar Rate
REQUESTER:		RESPONDER:	Schackmuth, Kelly

REQUEST:

Reference: Subscription Solar Rate

Question: The solar subscription rate is \$2.00/100 kWh block, plus taxes and additional fees.

A. Please provide the cost for the average residential customer who elects to go 100% green (including the taxes and additional fees).

B. Please explain if the Company is going to market the cost as \$2.00 per 100 kWh block or if the Company will provide the true cost including taxes and additional fees in the marketing material?

RESPONSE CONFIDENTIAL (yes or no): No

ATTACHMENT CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: One

RESPONSE:

A. The cost for the average Nevada Power residential customer who elects to go 100% green including the taxes and additional fees is \$172.26. Attached workbook Staff 10 Attachment.xlsx provides the calculation.

B. The Company's customer recruitment strategy will educate customers on the total cost for participating in the Subscription Solar Program. It will be made clear that in addition to their existing monthly power bill, the subscription solar rate will be an additional cost incurred and is subject to all applicable fees and taxes.



August 8, 2017

Sara Gersen
Vote Solar
Staff Attorney, Clean Energy
800 Wilshire Blvd., Suite 1000
Los Angeles, CA 90017

RE: Docket No. 17-03009/17-03010 – Vote Solar Data Request No. 5-01

Dear Ms. Gersen:

On August 3, 2017, we received Vote Solar's Data Request No. 5-01 ("VS 5-1") in the above referenced dockets. In reviewing the data request, Nevada Power Company ("Nevada Power") and Sierra Pacific Power Company ("Sierra" and together with Nevada Power, "NV Energy") has identified it as an objectionable question. NV Energy submits its formal objections to such question as set forth below.

Objection to VS 5-1. VS 5-1 requests information on NV Energy's resource procurement plans for future compliance with the renewable portfolio standard ("RPS"), and whether that resource will be located in Nevada or out of state. NV Energy's resource procurement plans and RPS compliance are not relevant to the Subscription Solar Program, which is the subject of this docket. This request is irrelevant to the issues presented in the current proceeding.

Should you have any questions regarding the contents of this letter, please contact me at (775) 834-5678 or tclausen@nvenergy.com.

Regards,

/s/Tim Clausen
Tim Clausen
Senior Attorney

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	16-07001	REQUEST DATE:	08-24-2016
REQUEST NO:	VS 1-23	KEYWORD:	Subscription Solar Program
REQUESTER:		RESPONDER:	Steele, Marie

REQUEST:

Reference Steele-DIRECT, p. 2, ln. 26 to p. 3, ln. 9 (p. 110-11 of 240). Please identify the personal sustainability goals that the described subscription solar program would

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

The Company completed a Subscription Solar Survey in August of 2015 as part of dockets 15-07004 and 15-08011 in which the Company asked "Why are you or your organization interested in renewable energy?" in question 4. Below are the responses of the 28,375 respondents.

- i. 10.56%, Offset your carbon footprint
- ii. 7.99%, Participate in Nevada's growing green economy
- iii. 73.94%, The potential to lower my electric bill
- iv. 0.77%, Acquire/Retire Portfolio Energy Credits
- v. 2.30%, I am not interested in renewable energy
- vi. 4.44%, Other

With a Subscription Solar program, the Company seeks to provide an economical renewable energy option for our customers who cannot or will not participate in private solar solutions, but who nevertheless want to reduce their carbon footprint and participate in Nevada's green economy.

Exhibit RG-3:
Red-lined Proposed
Tariff Sheet for
Nevada Power
Company

SCHEDULE SOLAR 1
GREEN PRICING PROGRAM RIDER

APPLICABILITY

This Rider is offered to Customers who, in conjunction with the Utility's Residential and Small Commercial rate schedules, desire the ability to retire Portfolio Energy Credits to meet their individual needs over and above the Renewable Portfolio Standard.

This Rider is available to all bundled rates schedules with the exception of schedules that can take service under Option 2 of Schedule No. NGR.

TERRITORY

Entire Nevada Service Area.

RATES

A Customer participating in the Green Pricing Program shall be responsible for all charges and rates specified in the Customer's otherwise applicable rate schedule. In addition, the Customer shall be responsible for Monthly Bill equal to the Green Pricing Program Rate multiplied by the number of blocks that the customer has subscribed to, regardless of actual energy consumption.

Green Pricing Program Rate (per 100 kWh block of Portfolio Energy Credits per month)
\$2.00

MINIMUM CHARGE

The minimum charge for service under this Rider shall be the sum of the Minimum Charge specified in the Customer's otherwise applicable rate schedule, plus the monthly charges based on the Green Pricing Rate specified in this Rider. This Rider's charges shall be applied to the Customer's regular monthly bill regardless of actual energy consumption.

LATE CHARGE

The Utility may charge a fee as set forth in Schedule MC for the late payment of a bill.

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**SCHEDULE SOLAR 1
GREEN PRICING PROGRAM RIDER
(Continued)**

SPECIAL CONDITIONS

1. Portfolio Energy Credits.

For purposes of this Rider, Portfolio Energy Credits ("PCs") means PCs derived from an existing in-state solar energy resource. The offering is a green pricing program. Customers are purchasing PCs only, rather than renewable energy or bundled power (i.e., a product that "bundles" energy and PCs together).

PCs represent all of the regional and global environmental and emissions benefits associated with one unit of output from an existing Renewable Energy generating resource, known as Boulder Solar I. The credits are certified by an independent third party and include a certificate number for tracking purposes.

Offering consists of 100% PCs from an existing Nevada solar resource known as Boulder Solar I.

2. Request Forms and Enrollment in the Program.

A. Request Forms. The Utility shall provide either an electronic or written request form to a Customer explaining the options available to the Customer for participation in the Green Pricing Program. To enroll, the Customer must complete either the electronic or written request form and must designate the level (i.e. number of blocks) at which the Customer wants to participate in the Program. Upon request, the Utility shall assist the Customer, by phone, in completing the enrollment form.

B. Enrollment. Customers who enroll will see the amount charged for the Green Pricing Rate on their bill one full billing cycle after the Utility accepts their completed request form.

3. Blocks and Limits. Customer PC purchases will be available in whole 100 kilowatt-hour (kWh) blocks of Portfolio Energy Credits (PCs) per month. One block represents the purchase of PCs from an existing resource and not energy from that resource. Participation does not cover the costs of any new incremental energy or capacity. Individuals that sign up for the program will not see a reduction in their energy bills. Customers will designate during enrollment how many blocks they want to purchase monthly, cumulatively not to exceed their annual average usage and a minimum of one block per month. Combined customer purchases will be limited to a total capacity of approximately 2.67MW. Partial blocks will not be available and blocks purchased or cancelled will not be prorated for partial months. The Customer may keep their

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| purchase or their place in the queue when moving within the Company's service territory.

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SCHEDULE SOLAR 1
GREEN PRICING PROGRAM RIDER
(Continued)

SPECIAL CONDITIONS (Continued)

4. **Minimum Service Agreement.** The Customer shall be required to take service under this Rider for a minimum of one Billing Period and will remain in the program until they elect to terminate their purchase. The Utility may not accept enrollments for accounts that have a time-payment agreement in effect, or have received two or more disconnect notices in the past five years, or have been disconnected within the last twelve billing periods.
5. **Termination Fee.** Customers may terminate service under this Rider at any time without a termination fee.
6. **Retirement of Portfolio Energy Credits.** PCs generated as a result of the Green Pricing program will be set aside and retired annually on behalf of the Green Pricing program and will not be used to meet the Utility's renewable portfolio standard obligations. If at any time during the term of the Green Pricing Program, participation is not sufficient to fully cover costs of the Green Pricing Program—(e.g., due to failure of Customers to re-enroll or Customers departing the program early) unsubscribed PCs will be utilized by the Utility in support of its renewable portfolio standard obligations. To the extent non-participating customers share in the cost of unsubscribed PCs, those PCs should be utilized in service of the renewable portfolio standard obligation.
7. **Green Pricing Program Rate.** The Green Pricing Program Rate will be calculated by a break-even analysis to cover the PC and program administration costs. Any excess funds from the tariff will go towards offsetting all customer rates through the deferred energy and purchased power account.
8. **Billing Period Cycle.** To aid in effective billing, the Utility reserves the right to change the Billing Period cycle of the Customer taking service under this Rider to a calendar month cycle with the Billing Period starting the first day of the month and ending the last day of the month. The Customer will continue to have the ability to select a payment due date pursuant to Rule 5.

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Exhibit RG-4:
NV Energy Press
Release (March 7,
2017)

News Releases

NV Energy Seeks Approval for a New Customer Renewable Energy Option

Mar 07, 2017

11:20 AM

NV Energy last week filed with the Public Utilities Commission of Nevada (PUCN) a new Subscription Solar program that will give residential and eventually, small to midsize business customers the option to meet up to 100 percent of their energy needs with renewable energy.

“NV Energy is committed to a cleaner energy future, and that includes finding ways to deliver solar and renewable energy conveniently to our customers,” said Pat Egan, Senior Vice President of Renewable Energy and Smart Infrastructure for NV Energy. “Our Subscription Solar program gives our customers a choice when it comes to their energy mix – providing them with a simple, flexible and affordable way to reach their sustainability goals.”

If the program is approved as filed by the PUCN, eligible customers will be able to subscribe monthly to 100 kilowatt-hour (kWh) ‘blocks’ of solar energy. Customers can subscribe to a minimum of one block up to an amount of blocks not to exceed their average monthly usage. A feature that will distinguish NV Energy’s program from those offered in other states is that the resource generating the renewable energy is in Nevada.

“This program is specifically designed for customers who may not have access to a rooftop, but who would like a low-cost, renewable energy option or for those whom building their own rooftop system isn’t a great option,” said Egan.

The projected cost per block is \$2 a month, which would make NV Energy’s Subscription Solar program one of the lower-cost programs of this type in the nation. This is in addition to a customer’s normal monthly bill. For example, if a customer in an apartment using 600 kWh a month desired to be 100 percent “green,” they would subscribe to 6 blocks for a monthly premium of \$12, plus applicable taxes and fees. The Subscription Solar program does not require any long-term contracts or upfront investments, and there are no cancellation fees or participation period commitments.

NV Energy has designated 10 megawatts of solar energy from the Boulder Solar I facility to meet the initial needs of the Subscription Solar program. NV Energy, in conjunction with Apple, also designated an additional 5 megawatts of the Techren II facility, which is projected to be operational in 2019.

The PUCN has up to 210 days to make a decision on this filing.

NV Energy, Inc. provides a wide range of energy services to 1.3 million customers throughout Nevada and more than 40 million tourists annually. NV Energy is a holding company whose principal subsidiaries, Nevada Power Company and Sierra Pacific Power Company, are doing business as NV Energy. The company is headquartered in Las Vegas, Nevada. Information about NV Energy is available on the company’s website, Twitter, Facebook and YouTube pages, which can be accessed via nvenergy.com.

###

For further information: Jennifer Schuricht, NV Energy 702-402-5241, jschuricht@nvenergy.com

Exhibit RG-5:
Public Utility
Commission of
Oregon Staff
Report (January 31,
2017)

ITEM NO. 3

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 7, 2017**

REGULAR X CONSENT EFFECTIVE DATE February 8, 2017

DATE: January 31, 2017

TO: Public Utility Commission

FROM: John Crider *JC*

THROUGH: Jason Eisdorfer *E*

SUBJECT: PACIFIC POWER:
(Docket No. ADV 386/Advice No. 16-012) Changes to Schedule 272
Renewable Energy Rider Optional Bulk Purchase Option.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission of Oregon (Commission) approve PacifiCorp's Advice Filing 16-012 and application to waive statutory notice for rates effective February 8, 2017, subject to the condition that PacifiCorp inform the Commission regarding the level of participation in this program within 12 months of the acceptance of the revised tariff or when customer participation reaches 100 aMW, whichever comes first.

DISCUSSION:

Issue

Whether the Commission should accept PacifiCorp's Advice No. 16-012 for rates effective February 8, 2016, with less than statutory notice.

Applicable Law

The Company's filing involves changes to tariff sheets governed by ORS 757.205 and 757.210, and OAR 860-022-0025 and 860-022-0030. The Commission reviews proposed tariffs filed under ORS 757.205 to determine whether they are fair, just and reasonable. Filings proposing any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the

change.¹ However, tariff filings may be effective on less than 30-day's notice if an application is filed by the utility and the Commission grants the waiver of less than statutory notice.²

Upon receipt of a proposed tariff by a utility, the Commission may approve the tariff or suspend it for further investigation to determine whether the rate or schedule is fair, just and reasonable.³

Analysis

Background

In Advice No. 16-012, the Company proposes changes to its Schedule 272 Renewable Energy Rider Optional Bulk Purchase Option. Schedule 272 is a voluntary tariff under which large non-residential customers may purchase renewable energy certificates (RECs). A purchase under Schedule 272 is for RECs only. A copy of the revised tariff is included with this memo as Attachment A.

The Company has been offering customers the option to purchase RECs under Schedule 272 since November 1, 2004.⁴ This tariff is part of the Company's Blue Sky voluntary renewable energy offering to non-residential customers. Under this option customers can voluntarily pay for renewable energy credits (RECs). Ownership of the RECs allows the customer to claim certain environmental attributes associated with renewable power. Excess funds from Schedule 272 that are not used for the fixed annual program costs and REC purchases go into a collective fund for all Blue Sky voluntary programs and are used to support Qualifying Initiatives within the Blue Sky program (most commonly local community based renewable energy projects). Awards are based on a competitive solicitation process.

Customers purchasing RECs under this tariff receive their energy through PacifiCorp's standard commercial Schedules. Since 2004, Schedule 272 has included the term "bundled power" to describe the product, which may have inadvertently obscured precisely what customers were buying under this tariff. The Company's advice filing on September 27, 2016 included, among other changes, a revision to the tariff that allowed customers to purchase RECs from specific sources. At the time of the advice filing, the

¹ ORS 757.220 and OAR 860-022-0020.

² *Id.*

³ ORS 757.210(1)(a).

⁴ See PacifiCorp's original ADV 386 filing on September 27, 2016 available at <http://edocs.puc.state.or.us/efdocs/UAA/uaa16245.pdf>.

Company continued to use the term “bundled power” in the tariff language to describe the delivery of system power along with the RECs purchased under the voluntary program. This fact coupled with the new ability for the customer to specify a REC resource added to the confusion and raised concerns among Staff and stakeholders that this offering could be misinterpreted as offering bundled RECs (that is, RECs paired with renewable energy from a specific resource).

Staff’s summary of the issues originally raised by stakeholders in response to the Company’s initial filing can be found in the Staff Report filed on December 9, 2016.⁵ Staff’s primary concern with the original September 27 filing was whether there was a potential for cost-shifting. Cost-shifting would be a concern if any cost-of-service customer funds were being used to purchase RECs on behalf of the voluntary customer. On December 5, 2016, PacifiCorp filed a second set of revisions which addressed some of Staff’s concerns.

On December 6, 2016, the tariff revisions filed on September 27 and December 5 were discussed at a regular public meeting. Northwest and Intermountain Power Producers Coalition (NIPPC) expressed concerns that the changes to the tariff would result in cost-shifting to non-Schedule 272 customers and that the tariff was a voluntary renewable energy tariff (VRET). Staff advocated that the Commission suspend the tariff for investigation so that stakeholders could determine whether the revisions to Schedule 272 resulted in cost shifting and/or a VRET offering. Rather than suspend for investigation, the Company offered to make a supplemental filing requesting an effective date of February 8, 2017, in order to allow time to address stakeholder questions and concerns. The Commission agreed with this approach and instructed the parties to convene a workshop and file comments discussing individual concerns.

PacifiCorp hosted a workshop on January 9, 2017 to address stakeholder concerns. After a productive discussion that included responding to Staff’s list of questions circulated at the workshop, PacifiCorp agreed to file a third revised tariff with language that clarified the substance of the tariff. The Company’s revised tariff reflected the comments provided at the workshop, which included the following:

- 1) Removing the term “bundled power” from the tariff to alleviate stakeholder concerns that customers might think they are receiving renewable energy under the tariff, and also alleviating the concern that this tariff is a VRET.

⁵ Staff Report for PacifiCorp ADV 386/Advice No. 16-012: Changes to Renewable Energy Rider Optional Bulk Purchase Option (December 9, 2016) available at <http://edocs.puc.state.or.us/efdocs/HAU/adv386hau134647.pdf>.

- 2) Replacing the term “Renewable Energy” throughout Schedule 272 with “Renewable Energy Certificates” to be consistent with Oregon’s definition and to eliminate confusion as to whether an energy transaction is occurring under the tariff. The former language of “Renewable Energy” had previously been defined as “bundled power or [RECs]” (both have been deleted).
- 3) Using the “Block”⁶ terminology consistently by adding a clarifying sentence that individually negotiated arrangements may be available for the purchase of RECs *only* and not energy.
- 4) Separating the standard “Block” offering out from individually negotiated agreements and adding language to clarify that customers entering into individually negotiated agreements are required to pay the same minimum fixed charge as customers making Block purchases and at least the full price PacifiCorp paid for the RECs.
- 5) Adding language that the Company will notify the Commission if REC purchases under Schedule 272 exceed 100 aMW.
- 6) Changing the tariff language from “Offering must consist of 100% new renewable energy” to: “100% of RECs purchased under this offering must originate from New Renewable Energy⁷ resources.”
- 7) Adding “no purchase under this tariff shall disqualify the Company’s Blue Sky program from being Green-e certified” to ensure that all Blue Sky programs remain Green-e certified because Green-e certifies all PacifiCorp voluntary programs, which includes Schedule 272, across all six states as one single program.
- 8) Adding that the Company will file an annual report with the Commission providing information on total participation in Schedule 272 and provide copies of the individually negotiated agreements from the prior calendar year. This provision was added at the request of stakeholders concerned that REC purchases under Schedule 272 may affect and/or increase the cost of RECs the Company would need to purchase for RPS compliance and therefore result in cost-shifting to COS customers.

⁶ One “Block” is 100 kWh of Renewable Energy.

⁷ When used in this tariff, “New Renewable Energy” refers to RPS compliant resources placed into service after January 28, 2000.

Staff's Comments

As noted above, PacifiCorp filed the latest version of the revised tariff on January 19, 2017, and Staff and NIPPC submitted comments on that final version of the tariff. In its comments, Staff noted that its primary concern with the original filing was whether there was a potential for cost-shifting, occurring either through non-participants subsidizing the cost of the program or through customers being able to unfairly negotiate with PacifiCorp for a bundled product (energy + RECs) that would also be subsidized by non-participating cost of service (COS) customers. In addition to the cost-shifting issue, Staff expressed concern that, because of the confusing "bundled power" terminology, customers who purchase RECs under Schedule 272 may think they are buying a product they are not actually getting.

In its comments, Staff noted that PacifiCorp provided ample clarification, both through the January 9 workshop and the final revised tariff filed on January 19, that the changes to Schedule 272 would not induce cost-shifting. As can be read in the Company's latest revision to the tariff, the voluntary charge under this tariff is "in addition" to all other charges contained in the customer's standard bill and is applied "regardless of actual energy consumption." Further, Schedule 272 costs are tracked separately and recovered from participating customers through the fixed annual program fee. Staff also requested the insertion of tariff language clarifying that negotiated REC purchase agreements under Schedule 272 also reflect the fixed annual charge to administer the program and no less than the full price of the RECs purchased on the customer's behalf. Staff is satisfied that there is no energy transaction occurring pursuant to Schedule 272 block charges or negotiated contracts.

To further alleviate Staff and stakeholder concerns, PacifiCorp opted to remove the confusing term "bundled power" from the original filing. This helps clarify to customers that they are not actually receiving a bundled REC from a specified source or adding any new incremental energy or capacity to PacifiCorp's system; rather, the tariff simply allows Schedule 272 customers to contract with PacifiCorp to buy RECs. With the revised tariff language, customers can now direct PAC to buy RECs from specified resources and enter into individually negotiated agreements for those REC-only purchases, but this still only constitutes a REC transaction.

NIPPC's Comments

NIPPC also submitted comments on the final revised tariff that PacifiCorp filed in this docket on January 19. NIPPC continues to be concerned that the changes made to Schedule 272 are a method of implementing a VRET without adhering to the VRET

guidelines set forth under docket UM 1690.⁸ NIPPC explains that because this tariff involves the sale of RECs from specified resources, which in some cases may result from energy attached to PacifiCorp's system, PacifiCorp is selling customers a "bundled REC." Further, because the sale of a bundled REC from a specified source was contemplated as a VRET product in Docket UM 1690, NIPPC asserts that the Company's revised Schedule 272 is a VRET. NIPPC goes on to state that embodied in the idea of a VRET is the premise that a customer can purchase renewable energy from specified resources.⁹ Because one of the changes to Schedule 272 adds the ability for a customer to choose where their RECs are coming from, NIPPC explains that this is fundamentally a VRET.

NIPPC also expresses concerns with competition, noting that because the Company is now proposing to allow Schedule 272 customers to specify what resources it wants PacifiCorp to buy the RECs from, PacifiCorp is able to provide a service that no other entity can. According to NIPPC, PacifiCorp is now able to "sell both energy and RECs from a specific, enumerated renewable resource" and that "[t]his is essentially a VRET."¹⁰

As a result, NIPPC recommends that the Company's changes to Schedule 272 be rejected.

Staff Position

Staff first notes that the Commission has indicated what constitutes a VRET. In Order No. 15-405, the Commission guidelines expressly state that "VRET options should only include bundled REC products."¹¹ Further, ORS 469A.005 provides a definition of this product:

"(3) 'Bundled renewable energy certificate' means a renewable energy certificate for qualifying electricity that is acquired:

(a) By an electric utility or electricity service supplier by a trade, purchase or other transfer of electricity that includes the certificate that was issued for the electricity; or

⁸ See NIPPC's Comments at 1, submitted on January 25, 2017, available at <http://edocs.puc.state.or.us/efdocs/HAC/adv386hac1174.pdf>.

⁹ *Id.* at 3.

¹⁰ *Id.* at 4.

¹¹ See *In the Matter of Public Utility Commission of Oregon, Voluntary Renewable Energy Tariffs for Non-Residential Customers*, Docket No. UM 1690, Order No. 15-405 at 1 (Dec. 15, 2015) (Guideline 2).

(b) By an electric utility by generation of the electricity for which the certificate was issued.”

In both cases, the REC is bundled when it is acquired *along with* the qualifying renewable energy.

It is clear from the revised tariff language that what is offered through Schedule 272 is an unbundled REC and not a bundled REC. The REC being delivered to the Schedule 272 customer is not bundled with the electric power generated by the REC producing resource. No energy product is traded under this tariff. The Company’s standard system energy mix is delivered to the Schedule 272 customer under a separate, applicable commercial energy tariff.

Staff struggles with NIPPC’s position that this tariff constitutes a VRET given Staff’s understanding that Schedule 272 customers are not purchasing renewable *energy* from a specifically identified source, nor are specific resources being built to meet specific customer preferences. Staff believes the difference in viewpoints stems from differing understandings of whether this is a “bundled” product or simply a stand-alone REC purchase under which the Schedule 272 customer continues to receive only system power.

NIPPC maintains that PacifiCorp is selling a bundled product, i.e., renewable energy *and* a REC from a specified source¹²; rather, Staff is satisfied that the product PacifiCorp is selling is only the REC. As NIPPC points out in comments, a VRET meets a specific customer need: “purchasing renewable energy from a specific resource”¹³ As noted previously, and clarified by the most recent tariff revisions from the Company, renewable energy is not being purchased under this tariff, despite the customer’s option to specify the source of the RECs.

After review of the tariff, Staff is satisfied that there are no issues regarding cost shifting. Participating customers are still paying the full cost of service in addition to separately-tracked charges that reflect the cost the RECs or Qualifying Initiatives and of administering the program. As stated above, Staff confirmed that excess funds from Schedule 272 are allocated to the Blue Sky program. This is consistent with standard investment criteria in the Blue Sky program.

¹² See NIPPC’s Comments at 2, submitted on January 25, 2017, available at <http://edocs.puc.state.or.us/efdocs/HAC/adv386hac1174.pdf>.

¹³ *Id.* at 3.

Staff recognizes that while Schedule 272 could attract customer interest away from direct access opportunities, this offering is a non-bundled product and therefore a different product than what Electricity Service Suppliers are offering. Thus, the attractiveness of the tariff as compared to a direct access product may be limited. Nevertheless, to address stakeholder concerns about participation levels in the program and direct access opportunities, Staff proposes that PacifiCorp report back to the Commission either one year after this revised tariff is accepted or when tariff participation reaches 100 aMW, whichever comes first.

Finally, Staff notes that Electricity Service Suppliers alone maintain the ability to provide something to customers that PacifiCorp cannot – energy from renewable sources bundled with RECs from that same resource. This tariff revision does not change this fact.

Conclusion

PacifiCorp's changes to Schedule 272 reflected in the January 19, 2017, filing have alleviated Staff's concerns that the modifications could result in cost shifting or create a VRET-type offering. Staff is satisfied with the revised changes to the tariff language and supports Commission approval of Schedule 272.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's Advice Filing 16-012 and application to waive statutory notice for rates effective February 8, 2017, subject to the condition that PacifiCorp inform the Commission regarding the level of participation in this program within 12 months of the acceptance of the revised tariff or when customer participation reaches 100 aMW, whichever comes first.



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

January 19, 2017

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398

Attn: Filing Center

RE: Advice 16-012 – Schedule 272 – Replacement Sheets

PacifiCorp d/b/a Pacific Power (Company) submitted the above-referenced tariff advice notice on September 27, 2016, with an effective date of November 9, 2016. On December 9, 2016, the Company filed for an extension of the advice filing and requested an effective date of February 8, 2017. These tariff pages replace the pages submitted in the original filing in their entirety. An application of less than statutory notice has been included with this filing.

Second Revision of Sheet No. 272-1	Schedule 272	Renewable Energy Rider Optional Bulk Purchase Option
First Revision of Sheet No. 272-2	Schedule 272	Renewable Energy Rider Optional Bulk Purchase Option
First Revision of Sheet No. 272-3	Schedule 272	Renewable Energy Rider Optional Bulk Purchase Option
Original Sheet No. 272-4	Schedule 272	Renewable Energy Rider Optional Bulk Purchase Option

The purpose of this filing is to request approval to update the language in Schedule 272 to provide additional flexibility for qualifying customers in providing an option to contract with the Company to purchase renewable energy certificates (RECs) from a specified renewable resource purchased on their behalf.

PacifiCorp met with Staff and parties to clarify certain aspects of the proposed changes to existing Schedule 272, respond to questions or concerns, and solicit feedback to incorporate into the final tariff language. The Company also circulated a draft version of the tariff changes to get final comments and suggestions prior to submitting this filing. The attached redlined changes are the end result of discussions with Staff and parties, with the following notable changes:

- Adds a requirement the Company will notify the Commission if participation on Schedule 272 exceeds 100 average megawatts.
- Provides clarification between standard charge per block and individually negotiated arrangements.

- Specifies that customers with individually negotiated arrangements pay a minimum fixed charge and the full price for RECs.
- Clarifies participation on Schedule 272 is only for block purchases of RECs and not energy.
- Adds a requirement for the Company to file an annual report with the Commission that includes total participation on Schedule 272 and copies of individually negotiated arrangements.
- Removes term “bundled” to avoid confusion regarding REC purchases and system energy.
- Adds a requirement that no purchase under the tariff shall cause the Company’s Blue Sky program to no longer be Green-e certified.

These proposed changes do not alter the fundamental structure of Schedule 272 that has been in place for twelve years and are intended only to update Schedule 272 to be more responsive to customer needs. The proposed changes add clarity to existing Schedule 272 and provide for additional transparency for the Commission to help monitor the impact of the bulk purchases.

Like PacifiCorp’s residential and other commercial Blue Sky options, Schedule 272 is in addition to the base rates paid by the customers electing this voluntary option, ensuring there is no cost shift between participating and non-participating customers. In addition, Schedule 272 costs are, like the residential and commercial Blue Sky options, tracked separately and recovered from participating customers through program fees. PacifiCorp has removed the term “bundled” from the tariff to help remove any confusion with regard to the REC purchase and the customer taking system power. However, PacifiCorp maintains that a customer electing to purchase RECs from a specified resource under the proposed changes to Schedule 272 could claim that it is receiving RECs from a resource that is delivering electricity to the same system from which the customer purchases electricity.

PacifiCorp’s proposed changes to Schedule 272 are intended to address Staff’s and parties’ concerns for additional oversight and clarity, with particular attention given to customers who enter into individually negotiated arrangements. The proposed changes are responsive to the needs of the Company’s large non-residential customers while not fundamentally altering the existing Schedule 272.

Sincerely,



R. Bryce Dalley
Vice President, Regulation

Enclosures

LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at puc.filingcenter@state.or.us.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF)	UTILITY L.S.N. APPLICATION
Pacific Power)	NO. _____
(UTILITY COMPANY))	(LEAVE BLANK)
TO WAIVE STATUTORY NOTICE.)	

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)
The purpose of this filing is to request approval for changes to the following rate schedule to provide additional flexibility for qualifying customers in providing an option to contract with the Company to purchase renewable energy certificates (RECs) from a specified renewable resource purchased on their behalf.

Second Revision of Sheet No. 272-1 - Renewable Energy Rider Optional Bulk Purchase Option
First Revision of Sheet No. 272-2 - Renewable Energy Rider Optional Bulk Purchase Option
First Revision of Sheet No. 272-3 - Renewable Energy Rider Optional Bulk Purchase Option
Original Sheet No. 272-4 - Renewable Energy Rider Optional Bulk Purchase Option

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

First Revision of Sheet No. 272-1 - Renewable Energy Rider Optional Bulk Purchase Option
Original Sheet No. 272-2 - Renewable Energy Rider Optional Bulk Purchase Option
Original Sheet No. 272-3 - Renewable Energy Rider Optional Bulk Purchase Option

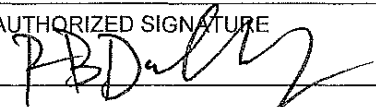
3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)

Second Revision of Sheet No. 272-1 - Renewable Energy Rider Optional Bulk Purchase Option
First Revision of Sheet No. 272-2 - Renewable Energy Rider Optional Bulk Purchase Option
First Revision of Sheet No. 272-3 - Renewable Energy Rider Optional Bulk Purchase Option
Original Sheet No. 272-4 - Renewable Energy Rider Optional Bulk Purchase Option

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

Less than statutory notice is warranted in order to preserve the requested date after changes were developed per discussion with Commission Staff and parties related to Advice No. 16-012

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): February 8, 2017

AUTHORIZED SIGNATURE 	TITLE Vice President, Regulation	DATE January 19, 2017
PUC USE ONLY		
<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	
AUTHORIZED SIGNATURE		DATE

Replacement Tariff Sheets



Available

In all territory served by the Company in the State of Oregon.

Applicable

To Large Non-residential Consumers receiving Delivery Service. (T)

Administration

Funds received from Consumers under this Schedule will cover program costs and match Renewable Energy Certificate purchases to Block purchases. Funds not spent after covering program costs and matching Renewable Energy Certificate purchases to Block purchases may be used to fund Qualifying Initiatives as defined below. (T)
(T)

Block

1 Block equals 100 kWh of Renewable Energy Certificates. This program requires a minimum purchase of 121.2 megawatt-hours (121,200 kWh or 1,212 Blocks) per year. For the purpose of qualifying for this Schedule, Consumers with multiple sites can sum their Block purchases across all Pacific Power and Rocky Mountain Power service territories to meet the minimum purchase requirement. (T)

To the extent the purchase of Renewable Energy Certificates on this Schedule exceeds 100aMW the Company will notify the Commission. (C)
(C)

Charge per Block

Standard: (C)

\$0.70 per month (\$7.00 per MWh per month) **Plus**

\$1500.00 per year fixed charge

Individually Negotiated Arrangements:

For block purchase commitments over one year in length or large purchases over 75,000 MWh per year, individually negotiated arrangements may be available, pursuant to the execution of a written contract. Consumers who enter into an individually negotiated arrangement will be required to pay a minimum \$1500.00 per year fixed charge and no less than the full price for any Renewable Energy Certificates purchased. (C)
(C)
(C)
(C)
(C)

Charge

Except as pursuant to an individually negotiated arrangement as contemplated above, the Charge can be billed either monthly, twice yearly or annually and shall be the number of Blocks the customer has agreed to purchase multiplied by the Charge per Block, plus the \$1,500 yearly fixed charge divided between the Consumer's billing choice (monthly, twice yearly or annually) and added to the Consumer's standard bill. The Charge is in addition to all other charges contained in Consumer's applicable tariff schedule. This Schedule's Charge shall be applied to the Consumer's billing regardless of actual energy consumption. (C)
(T)

Renewable Energy Certificates

Renewable Energy Certificate (REC) purchases include those obtained from specified resources and derived from the following fuels: (T)
(C)
(C)

- wind;
- solar;
- geothermal energy;
- certified low impact hydroelectric;



Renewable Energy Certificates (continued)

- hydrogen derived from photovoltaic electrolysis or a non-hydrocarbon derivations process;
- pipeline or irrigation canal hydroelectric systems;
- wave or tidal action; and
- low emissions biomass based on digester methane gas from landfills, sewage treatment plants or animal waste and biomass energy based on solid organic fuels from wood, forest or field residues or dedicated crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol or copper chrome arsenic.

(T)

(M) from
pg 1

(M)

Renewable Energy Certificates (also known as Tradable Renewable Energy Credits, Renewable Energy Credits, Green Tags or Carbon Credits) represent all of the regional and global environmental and emissions benefits associated with one unit of output from a qualifying renewable electricity generating resource. In some markets, the credits are certified by an independent third party and include a serial number for tracking purposes.

(T)

(T)

One hundred percent of RECs purchased under this offering must originate from new renewable energy resources.

(C)

New renewable energy is (1) placed in operation (generating electricity) on or after January 28, 2000; (2) repowered on or after January 28, 2000 such that 80% of the fair market value of the project derives from new generation equipment installed as part of the repowering, or (3) a separable improvement to or enhancement of an operating existing facility that was first placed in operation prior to January 28, 2000, such that the proposed incremental generation is contractually available for sale and metered separately than existing generation at the facility. Any enhancement of a fuel source that increases generation at an existing facility, without the construction of a new or repowered, separately metered generating unit, is not eligible to participate.

(T)

No purchase under this tariff shall disqualify the Company's Blue Sky program from being Green-e certified.

(C)

Preference will be given to resources within Pacific Power and Rocky Mountain Power service territories.

Renewable Energy Certificate purchases made to match Consumer Block purchases are in addition to investments associated with the Company's Integrated Resource Plan, and are not considered for purposes of any Renewable Portfolio Standard requirements.

(T)

(D)

Qualifying Initiatives

1. Funding for locally-owned commercial-scale renewable energy projects that produce less than 10 MW of electricity. The preference is for local community based projects that provide strong environmental and economic benefit to local communities and Consumers the Company services under this Schedule.

(T)

(M) to pg
3

Qualifying Initiatives (continued)

2. Funding for research development projects encouraging renewable energy market transformation in order to accelerate marketability of renewable energy technologies.
3. Investment in the above-market costs associated in the construction of renewable energy facilities or purchase by contract of renewable energy, reducing the costs of renewable energy to be competitive with cost-effective resources.
4. To the extent a project in paragraphs 1, 2, and 3 above is able to generate RECs, the recipient agrees that the Company has the right to claim a share of the project's REC output. The share amount is expressed as a percentage of output when comparing the Company's financial contribution to the overall cost of the project. The share amount of these RECs will be retired on behalf of program participants across the Company's service territories. The Company will also be given the opportunity to purchase additional RECs off the project.
5. Qualifying Initiatives are not considered for purposes of any Renewable Portfolio Standard requirements.

(M) from
pg 2
| (T)
| (T)
| (T)
| (T)
(M) (T)

(D)

Special Conditions

1. Consumers may apply for this Schedule anytime during the year.
2. The Company may not accept enrollments for accounts that have a time-payment agreement in effect, or have received two or more disconnect notices, or have been disconnected within the last 12 months.
3. The Company will buy Renewable Energy Certificates within two years of a Consumer's purchase, unless otherwise set forth in a written contract between the Company and Consumer.
4. RECs procured pursuant to this Schedule will be either (i) delivered by Company, at Company's expense, to Consumer's registered Western Renewable Energy Generation Information System (WREGIS) account (as set forth in a written contract between Company and Consumer and approved by the Commission), or (ii) deposited into a WREGIS account maintained by Company and retired on behalf of Consumers (except with respect to RECs generated from Qualifying Initiatives as set forth above in this Schedule). All costs associated with transferring, retiring, administering or otherwise managing RECs within Consumer WREGIS accounts shall be borne by Customer.
5. To ensure that all costs and benefits of this program are isolated to the participants of this program, all funds collected under this program will be separately identified and tracked by state jurisdiction by which the funds were collected. On the effective date of this Schedule, the Company will establish a regulatory liability for all funds collected and will debit the regulatory liability for all funds spent. The company will apply its authorized rate of return to the balances in the regulatory liability account. The Company will endeavor to match spending to collection within each calendar year.

(T)
(C)
(C)

(C)
|
(C)

(M) to pg
4

Special Conditions (continued)

6. The Company may use Consumer proprietary information gathered for the provisioning of electricity services upon Consumer written or verbal permission as long as it provides the same information under the same terms and conditions to alternative Renewable Energy Certificate providers upon Consumer written or verbal request.
7. The Company will communicate to Consumers that they are not required to buy Renewable Energy Certificates from the Company in order to continue to receive the Company's safe and reliable Electricity Service.
8. The Company will not use bill inserts to market Renewable Energy Certificates to Consumers served under this Schedule.
9. The Company will file an annual report with the Commission no later than January 31st providing information regarding total participation on Schedule 272 and copies of individually negotiated arrangements from the prior calendar year.

(M) from
pg 3

(T)

(T)

(T)

(N)

|

(N)

Rules and Regulations

Service under this Schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part and to those prescribed by regulatory authorities.

(M)

Redlined Replacement Tariff Sheets



Available

In all territory served by the Company in the State of Oregon.

Applicable

To Large Non-residential Consumers receiving Delivery Service.

Administration

Funds received from Consumers under this Schedule will cover program costs and match Renewable Energy Certificate purchases to Block purchases. Funds not spent after covering program costs and matching Renewable Energy Certificate purchases to Block purchases may be used to fund Qualifying Initiatives as defined below.

Block

1 Block equals 100 kWh of Renewable Energy Certificates. This program requires a minimum purchase of 121.2 megawatt-hours (121,200 kWh or 1,212 Blocks) per year. For the purpose of qualifying for this Schedule, Consumers with multiple sites can sum their Block purchases across all Pacific Power and Rocky Mountain Power service territories to meet the minimum purchase requirement.

To the extent the purchase of Renewable Energy Certificates on this Schedule exceeds 100aMW the Company will notify the Commission.

Charge per Block

Standard: \$0.70 per month (\$7.00 per MWh per month) **Plus**
\$1500.00 per year fixed charge

Individually Negotiated Arrangements:

For block purchase commitments over ~~two~~ one years in length or large purchases over 75,000 MWh per year, individually negotiated arrangements may be available, pursuant to the execution of a written contract. Consumers who enter into an individually negotiated arrangement will be required to pay a minimum \$1500.00 per year fixed charge and no less than the full price for any Renewable Energy Certificates purchased.

Charge

Except as pursuant to an individually negotiated arrangement as contemplated above, ~~The~~ Charge can be billed either monthly, twice yearly or annually and shall be the number of Blocks the customer has agreed to purchase multiplied by the Charge per Block, plus the \$1,500 yearly fixed charge divided between the Consumer's billing choice (monthly, twice yearly or annually) and added to the Consumer's standard bill. The Charge is in addition to all other charges contained in Consumer's applicable tariff schedule. This rider's Schedule's Charge shall be applied to the Consumer's billing regardless of actual energy consumption.

Renewable Energy Certificates

Renewable Energy Certificate (REC) purchases includes ~~bundled power or Renewable Energy Credits (RECs)~~ those obtained from specified resources and derived from the following fuels:

- wind;
- solar;
- geothermal energy;
- certified low impact hydroelectric;
- ~~hydrogen derived from photovoltaic electrolysis or a non-hydrocarbon derivation process;~~



- ~~pipeline or irrigation canal hydroelectric systems;~~
- ~~wave or tidal action; and~~
- ~~low emissions biomass based on digester methane gas from landfills, sewage treatment plants or animal waste and biomass energy based on solid organic fuels from wood, forest or field residues or dedicated crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol or copper-chrome-arsenic.~~



Renewable Energy Certificate (continued)

- hydrogen derived from photovoltaic electrolysis or a non-hydrocarbon derivation process;
- pipeline or irrigation canal hydroelectric systems;
- wave or tidal action; and
- low emissions biomass based on digester methane gas from landfills, sewage treatment plants or animal waste and biomass energy based on solid organic fuels from wood, forest or field residues or dedicated crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol or copper chrome arsenic.

Renewable Energy Credits—Certificates (also known as Tradable Renewable Energy Credits, Renewable Energy CreditsCertificates, Green Tags or Carbon Credits) represent all of the regional and global environmental and emissions benefits associated with one unit of output from a qualifying renewable electricity generating resource. In some markets, the credits are certified by an independent third party and include a serial number for tracking purposes.

One hundred percent of RECs purchased under this oOffering must originate fromconsist of 100% new rRenewable eEnergy resources.

New rRenewable eEnergy is (1) placed in operation (generating electricity) on or after January 28, 2000; (2) repowered on or after January 28, 2000 such that 80% of the fair market value of the project derives from new generation equipment installed as part of the repowering, or (3) a separable improvement to or enhancement of an operating existing facility that was first placed in operation prior to January 28, 2000, such that the proposed incremental generation is contractually available for sale and metered separately than existing generation at the facility. Any enhancement of a fuel source that increases generation at an existing facility, without the construction of a new or repowered, separately metered generating unit, is not eligible to participate.

No purchase under this tariff shall disqualify the Company's Blue Sky program from being Green-e certified.

Preference will be given to resources within Pacific Power and Rocky Mountain Power service territories.

Renewable Energy Certificate purchases made to match Consumer Block purchases are in addition to investments associated with the Company's Integrated Resource Plan, and are not considered for purposes of any Renewable Portfolio Standard requirements.—Renewable Energy generated in response to any federal or state statutory requirement to construct or contract for the Renewable Energy is not eligible.

Qualifying Initiatives

1. Funding for locally-owned commercial-scale rRenewable eEnergy projects that produce less than 10 MW of electricity. The preference is for local community based projects that provide strong environmental and economic benefit to local communities and Consumers the Company services under this Schedule.



2. ~~Funding for research and development projects encouraging Renewable Energy market transformation in order to accelerate marketability of Renewable Energy technologies.~~
3. ~~Investment in the above-market costs associated in the construction of Renewable Energy facilities or purchase by contract of Renewable Energy, reducing the costs of Renewable Energy to be competitive with cost-effective resources.~~



Qualifying Initiatives (continued)

2. Funding for research and development projects encouraging rRenewable eEnergy market transformation in order to accelerate marketability of rRenewable eEnergy technologies.
3. Investment in the above-market costs associated in the construction of rRenewable eEnergy facilities or purchase by contract of rRenewable eEnergy, reducing the costs of rRenewable eEnergy to be competitive with cost-effective resources.
4. To the extent a project in paragraphs 1, 2, and 3 above is able to generate RECs, the recipient agrees that the Company has the right to claim a share of the project's REC output. The share amount is expressed as a percentage of output when comparing the Company's financial contribution to the overall cost of the project. The share amount of these RECs will be retired on behalf of program participants across the Company's service territories. The Company will also be given the opportunity to purchase additional RECs off the project.
5. Qualifying Initiatives are not considered for purposes of any Renewable Portfolio Standard requirements. ~~Renewable Energy generated in response to any federal or state statutory requirement to construct or contract for the Renewable Energy is not eligible.~~

Special Conditions

1. Consumers may apply for this Schedule anytime during the year.
2. The Company may not accept enrollments for accounts that have a time-payment agreement in effect, or have received two or more disconnect notices, or have been disconnected within the last 12 months.
3. The Company will buy Renewable Energy Certificates within two years of a Consumer's purchase, unless otherwise set forth in a written contract between the Company and Consumer.
4. Beginning January 1, 2008, all RECs purchased under procured pursuant to this program Schedule must will be either (i) delivered by Company, at Company's expense, to Consumer's registered with the Western Renewable Energy Generation Information System (WREGIS) account, if WREGIS is operational, or (as otherwise set forth in a written contract between Company and Consumer and approved by the Oregon—Portfolio Committee Commission), or (ii) deposited into a WREGIS account maintained by Company and retired on behalf of Consumers (except with respect to RECs generated from Qualifying Initiatives as set forth above in this Schedule). All costs associated with transferring, retiring, administering or otherwise managing RECs within Consumer WREGIS accounts shall be borne by Customer.
5. To ensure that all costs and benefits of this program are isolated to the participants of this program, all funds collected under this program will be separately identified and tracked by state jurisdiction by which the funds were collected. On the effective date of this Schedule, the Company will establish a regulatory liability for all funds collected and will debit the regulatory liability for all funds spent. The company will apply its authorized rate of return to



the balances in the regulatory liability account. The Company will endeavor to match spending to collection within each calendar year.

- ~~6. The Company may use Consumer proprietary information gathered for the provisioning of electricity services upon Consumer written or verbal permission as long as it provides the same information under the same terms and conditions to alternative Renewable Energy Credit providers upon Consumer written or verbal request.~~
- ~~7. The Company will communicate to Consumers that they are not required to buy Renewable Energy Credits from the Company in order to continue to receive the Company's safe and reliable Electricity Service.~~
- ~~8. The Company will not use bill inserts to market Renewable Energy Credits to Consumers served under this Schedule.~~

Rules and Regulations

~~Service under this Schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part and to those prescribed by regulatory authorities.~~



RENEWABLE ENERGY RIDER
OPTIONAL BULK PURCHASE OPTION

OREGON
SCHEDULE 272

Special Conditions (continued)

6. The Company may use Consumer proprietary information gathered for the provisioning of electricity services upon Consumer written or verbal permission as long as it provides the same information under the same terms and conditions to alternative Renewable Energy Credit-Certificate providers upon Consumer written or verbal request.
7. The Company will communicate to Consumers that they are not required to buy Renewable Energy Credits-Certificates from the Company in order to continue to receive the Company's safe and reliable Electricity Service.
8. The Company will not use bill inserts to market Renewable Energy Credits-Certificates to Consumers served under this Schedule.
- 8-9. The Company will file an annual report with the Commission no later than January 31st providing information regarding total participation on Schedule 272 and copies of individually negotiated arrangements from the prior calendar year.

Rules and Regulations

Service under this Schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part and to those prescribed by regulatory authorities.

AFFIRMATION

STATE OF COLORADO)
) ss.
COUNTY OF BROOMFIELD)

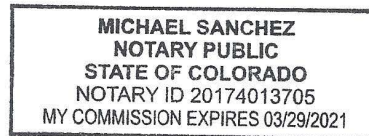
I, Rick Gilliam, do hereby swear under the penalty of perjury the following:

That I am the person identified in the attached prepared Direct Testimony and that such testimony was prepared by me under my direct supervision; and that the answers and information set forth therein are true and accurate to the best of my persona knowledge and belief; and that if asked questions set forth herein, my answers thereto would, under oath, remain the same.


Rick Gilliam

Subscribed and sworn to before me this 10th day of August, 2017.


Notary Public



CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of August, 2017, I have served the foregoing **Direct Testimony and Exhibits of Rick Gilliam on Behalf of Vote Solar** in Docket Nos. 17-03009 and 17-03010 upon the persons listed below.

VIA ELECTRONIC MAIL:

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DATED this 11th day of August, 2017.



Mario A. Luna
Litigation Assistant, Earthjustice