



ELECTRICITY DAILY



Oregon bill would enable large corporate direct access purchase of renewables

For several years, big corporations like **Google, Facebook, Amazon** and **Apple** have struck deals to buy renewable energy directly from non-utility producers, saving money, greening their reputations and adding to construction of wind and solar plants all around the country — but not in Oregon, as *Portland Business Journal* reported on March 1. Prior efforts in Oregon have failed before, but a new attempt to pry open the market is unfolding in the state legislature with a bill, Senate Bill 979, that would require the state's biggest utilities, **Portland General Electric** and **PacifiCorp**, to establish "renewable direct access programs." Said **Robert Kahn**, executive director of the **Northwest & Intermountain Power Producers Coalition**, the group behind the bill, "Major employers in the state are kicking in the stalls to go above and beyond the renewable portfolio standard, and the way they want to do that is most cost effectively, by going directly to the market. That's what this bill is about."

Under the bill, the PUC would be tasked with writing rules that encourage direct renewable-energy purchases by companies, in part by requiring the **Oregon Public Utility Commission** to recognize "the reduction of emissions and other environmental benefits" they would bring. The class would be limited to qualified non-residential commercial and industrial customers able to manage their power resources. Oregon, while politically green, "has struggled for nearly two decades to balance corporate desires for more flexibility in sourcing their energy against utility fears of being left economically vulnerable," the *Journal* said Wednesday, so "the bill is likely to be contentious."

Oregon has provisions that allow non-residential customers to go outside their utility for power, but the so-called "direct access" structure hasn't opened the door to corporate purchases of renewables that's occurred in other states. **Letha Tawney**, Portland-based director of utility innovation at the **World Resources Institute**, which works to encourage such purchases, said there are "barriers to entry that make the program difficult to use" in Oregon, and that participation was low, especially with PacifiCorp, according to NIPPC.

PacifiCorp spokesman **Ry Schwark** said PacifiCorp and its **Pacific Power** subsidiary—both **Berkshire Hathaway Energy** companies—follow direct access rules set by the PUC. "We're a regulated utility, and we're very constrained in what we're permitted or not permitted to do, and that's how we proceed," Schwark said.

But customers say PacifiCorp makes direct access unduly difficult. In 2016, **Noble Americas Energy Solutions** (now **Calpine Energy Solutions**) sued the PUC over its direct access regulations and PacifiCorp's use of them. In an amicus brief, NIPPC and several large companies — **Albertsons Cos., The Kroger Co., NORPAC Foods, Providence Health & Services** and **Walmart** — wrote that "PacifiCorp proposed Direct Access program rates so high as to essentially create a complete economic barrier to customer participation by imposing ... an inflated 'transition' charge that makes participation uneconomic."

One company, however, did manage make it over the barrier recently. Kahn called it "the exception that proves the rule." **Avangrid Renewables**, an energy services supplier, said last year that it reached a power purchase agreement with an unnamed "Fortune 500 commercial and industrial company" for the power from the 56-MW Gala Solar plant, now under construction near Prineville in PacifiCorp's territory. Avangrid declined to comment on how that deal got done. Google broke new ground in buying renewables directly several years ago—though not in Oregon, where it operates major data centers—and others have since joined in. In 2015, corporations did deals for 3.25 GW of renewable capacity, according to the **Rocky Mountain Institute**. That fell to 1.56 GW in 2016, but Tawney says interest remains high. March 6, 2017