

Why it may get easier for Walmart, Facebook, others to buy green power in Oregon

Prodded by the Legislature, the Oregon Public Utility Commission will investigate making it less costly for commercial customers to go outside their traditional utility service in search of green power.

By: Pete Danko, Staff Reporter
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The investigation's parameters are narrow, focusing only on "new commercial customer load at new sites." Still, the probe, ordered this week by the commission, opens the door to possible changes to Direct Access program rules that have frustrated independent power producers and companies like Walmart, Microsoft and Facebook, but that Portland General Electric and Pacific Power have defended as vital to protecting ratepayers.

At the heart of the probe are transition charges that exiting commercial customers pay to help the utilities recover their investments in grid infrastructure needed to meet demand. The charges are set by the PUC in a rule-making process that includes input from the utilities and other stakeholders.

The utilities argue that without adequate transition charges, remaining customers can be left to cover those fixed costs.

Independent power producers brought a bill to the Legislature this year that would have created a "Renewable Direct Access" program with new limits on transition charges. Walmart, Microsoft and the tech coalition Technet testified in support of the bill, saying it would help them meet their green-energy goals while also securing long-term, competitive, stable power prices.

The utilities opposed the bill, and it died in committee, but Sen. Lee Beyer, chair of the Senate Committee on Business and Transportation and a former PUC chair, turned his attention to one aspect of the legislation: a provision ending transition charges for new commercial load going the Direct Access route.

At Beyer's urging, that's the issue the PUC will investigate, under an order approved by the commission this week.

"Given the complex and historically contentious nature of Direct Access, Staff recommends that the scope of the investigation be limited to address questions related to the appropriate

treatment of the transition adjustment for new commercial customer load at a new site,” the staff report said.

The staff report noted that eliminating transition charges for new direct access load, as proposed in SB 979, “is similar to current treatment in two other western states, Utah and New Mexico.” It also pointed out that in comments on an earlier PUC docket, “Facebook presents an argument for why transition adjustments should be applied differently to new customers.”

The staff proposal for an investigation brought several comments in support — from Technet, the Oregon Solar Energy Industries Association, Industrial Customers of Northwest Utilities and the Northwest & Intermountain Power Producers Coalition, which called it a “small but important step in breathing new life into direct access.”

Neither Portland General Electric nor Pacific Power commented on the proposal.

Ironically, perhaps, the investigation comes at a time when Direct Access has been in the news for helping bring new renewables to Oregon: Apple’s deal with Avangrid Renewables for power from a 202-megawatt wind farm and a 56-megawatt solar power array.