

IMPACT STATEMENT**37151**

Legislation title: Authorize the City Attorney to intervene on behalf of the City of Portland in Oregon Public Utility Commission Docket UM 1734.

Contact name: Kyle Diesner or Ben Walters

Contact phone: 503-823-4166 or 823-4047

Presenter name: N/A

Purpose of proposed legislation and background information:

On May 21, 2015, PacifiCorp, an electric utility whose service territory includes areas within the Portland city limits, filed an application to the Public Utility Commission of Oregon (OPUC) seeking to reduce the qualifying facility (QF) contract term from 15 years to three years and lower the QF standard eligibility cap for standard QF pricing and Power Purchase Agreements (PPAs) from 10 megawatts (MW) to 100 kilowatts (kW). If the OPUC approves the application, the ruling might constrain the ability of the City to develop future renewable energy projects. The City depends on third party investors to provide initial financing for renewable projects, and the proposed limitations to both contract term and pricing could result in an insufficient return on investment to attract such investors. Furthermore, the City's 2015 Climate Action Plan establishes the goal to produce 15% of all electricity for City Operations from on-site renewable energy sources such as solar by 2030. PacifiCorp's motion to limit these types of projects could be potentially detrimental to the City's efforts in meeting the goals outlined in existing City policy.

Intervention in the PUC proceeding will allow the City to fully address the concerns as well as engage in party discussion of PacifiCorp's proposal. Intervention will also allow the City to be more fully informed of all issues being considered in this proceeding. BPS will primarily staff this matter in terms of identifying and evaluating the City's policy goals and the impacts of PacifiCorp's proposals.

Financial and budgetary impacts:

None.

Community impacts and community involvement:

PacifiCorp's proposal, if approved, would have a direct negative impact on the Portland businesses and institutions in the utility's service territory, which includes most of NE Portland and parts of SW Portland. More broadly, the proposal undermines the City's ability to meet the goals of the Climate Action Plan, its ability to support rural economic development, and its ability to support the Oregon solar industry. Furthermore, it sets a precedent for Portland's other electric utility. The proposal is also detrimental to City livability, as it slows the transition from fossil fuels as a source of electricity for the residents and businesses of Portland; the associated health and environmental impacts that result from the burning of fossil fuels for electricity generation is broad and well documented. PacifiCorp's application may impact other Portland businesses and institutions that have an interest in developing large scale solar projects. In summary, the proposal compromises the ability of the City to advance its Climate Action Plan goals, and in so doing, undermines the ability of the City to meet its long-term vision of creating a prosperous, healthy, resilient, and equitable community.

Budgetary Impact Worksheet

Does this action change appropriations?

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount



CITY OF
PORTLAND, OREGON
 OFFICE OF THE CITY ATTORNEY

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September 1, 2015

INTEROFFICE MEMORANDUM

TO: City Council *BW*

FROM: Benjamin Walters
 Chief Deputy City Attorney

SUBJECT: Amendment Request for Council Agenda Item 913
 Authorize the City Attorney to intervene on behalf of the City of Portland in
 Oregon Public Utility Commission Docket UM 1734 (Resolution)

At last week's Council meeting, this item (previous Agenda Item 883) was pulled from the Consent Agenda and held over for one week, in response to a request from PacifiCorp for a chance to confer with City staff. Following the opportunity to receive PacifiCorp's input, there was an internal discussion regarding the wording of the resolution and the impact statement. The revised wording better reflects where City staff is in evaluating the potential impacts of the Public Utility Commission proceeding. However, the overall substance of the resolution remains the same. Staff will present proposed amendments for the Council's consideration at the Council Wednesday morning session on September 2, 2015.

The following changes are requested in the Resolution and the accompanying impact statement (deletions in ~~strikeout~~, insertions underlined):

- Revise the third whereas of the resolution as follows:

WHEREAS, changes by the Oregon Public Utilities Commission to Qualifying Facility Contract Term and lower Qualifying Facility Standard Contract Eligibility Cap may ~~severely limit~~ significantly impact the City of Portland's ability to develop large scale solar projects or other renewable power projects on city owned properties; and

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- Revise the first paragraph of the Impact Statement as follows:

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I am available should there be any questions regarding these amendments. Thank you for your consideration of this matter.

BEW/bew

c: Karla Moore-Love, Council Clerk
Michael Armstrong, BPS
Andria Jacob, BPS