

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 22, 2001**

REGULAR _____ CONSENT X EFFECTIVE DATE October 23, 2001

DATE: October 10, 2001

TO: Phil Nyegaard through Lee Sparling and Jack Breen III

FROM: Bill McNamee

SUBJECT: PacifiCorp Advice 01-023 – Requests to update the energy prices in Schedule 135 - Net Metering Service - to reflect Pacific's recently approved avoided costs.

SUMMARY RECOMMENDATION:

I recommend the Commission allow PacifiCorp's Advice No. 01-023 to become effective on October 23, 2001.

DISCUSSION:

On September 21, 2001, Pacific filed Advice No. 01-023 under ORS 757.205. This filing revises the energy prices listed in Pacific's Net Metering Tariff (*Schedule 135*) to reflect the values in Pacific's recently approved avoided cost study (*see Advice 01-017, approved at Commission's September 11, 2001, public meeting*).

Net Metering legislation (*HB 3219, which amended ORS 757.262*) was passed by the 1999 Oregon Legislature. The net metering legislation essentially requires that an electric utility interconnect with and measure the flow of electricity to and from a customer-generator who installs a solar, wind, hydro, or fuel cell generating system of 25 kW or less capacity. For each billing period, any excess energy fed back to Pacific's system is credited, at Pacific's avoided costs, to the net metering customer-generator's account.

Pacific's current filing updates the energy prices, for years 2001 through 2005, that the Company will use to calculate the monthly credit for any excess energy deliveries from a net metering customer-generator. As mentioned, the updated energy prices in Schedule 135 are based on Pacific's recently approved avoided cost study.

Phil Nyegaard
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STAFF RECOMMENDATIONS:

I recommend that Pacific's Advice No. 01-023 be allowed to go into effect on October 23, 2001.