



February 22, 2019

House Committee on Energy and the Environment
Chair Ken Helm
900 Court St. NE
Salem, OR 97301

Dear Chair Helm, Vice-Chairs Schouten and Reschke, and members of the committee,

The Oregon Solar Energy Industries Association (OSEIA) is a trade association founded in 1981 to promote clean, renewable, solar technologies. OSEIA members include businesses, non-profit groups, and other solar industry stakeholders. We provide a unified voice of the solar industry and focus exclusively on the solar value chain; from workforce development to permitting, advocacy, policy, and regulation for manufacturing, residential, commercial, community, and utility scale solar projects on the local, state and regional level.

OSEIA urges your support of HB 2618. A new solar rebate program has the potential to create hundreds of jobs, provide resilience in emergencies, reduce air and carbon pollution, and lower electricity bills across the state. There is an urgency to passing the bill this session; not only is the Oregon solar industry currently struggling with job losses due to the loss of the previous state incentive, but also the federal tax credit (the Investment Tax Credit, or ITC) begins stepping down next year and will lose four percent of its value. This session is the time to act.

2018 has been a difficult year for the solar industry in Oregon. Due to the previous state incentive ending in February 2018, there was a 7.8% decline in solar jobs in Oregon last year¹. As predicted in 2017, solar companies all across the state had to cut their work force when the state incentive ended, as you will hear and read in OSEIA member companies' testimony today.

HB 2618 creates a new grant program at the Oregon Department of Energy (ODOE). The program ramps down over time and sunsets in 2024. The grant program would offer rebates for solar installations, up to \$6,000 or 40% of the project cost, whichever is less, for residential systems and up to \$40,000 or 30%, whichever is less, for commercial systems. The rebate is offered through the installer, who applies to ODOE for the rebate. The rebate applies to the net cost of the project, so any customer that already receives utility incentives would receive a smaller state rebate.

OSEIA has heard from legislators that they would like the rebate to have a focus on underserved communities. OSEIA is working with Rep. Helm on an amendment to the bill, which creates a goal for

¹ The Solar Foundation, February 2019, <http://www.thesolarfoundation.org/wp-content/uploads/2019/02/Appendix-A.pdf>



the program of serving rural communities, people of color, and low-income customers. The amendment creates a 15% set-aside for projects that benefit low-income ratepayers. In addition, the amendment allows for up to 60% of the project cost to be covered for low-income residential projects and up to 50% of low-income commercial projects, which could allow projects such as mobile home parks, apartment buildings, or non-profits that provide services to low-income ratepayers. State incentives are especially critical for low-income ratepayers and non-profits serving low-income communities who may not be able to take advantage of the federal tax credit. Solar can have a huge impact on low-income ratepayers. A lower electricity bill not only allows low-income ratepayers to keep the heat on in winter months, but creates savings that can help the local economy. As many studies have shown, when low-income people have extra funds, they are spent on basic necessities.²

The bill and amendment ensure consumer protection by including a clawback provision and the requirement for ODOE to require the appropriate licensing and consumer protection measures in rulemaking. In addition, the rebate is accessible to ratepayers around the state that currently do not have access to any local or state incentives. Currently, if an Oregonian does not live in PGE or PacifiCorp service territory, or in a handful of public utilities that offer local incentives, they are without an incentive, making solar out of reach. HB 2618 levels the playing field across the state and can open up new solar markets around the state.

Lastly, HB 2618 includes a rebate for battery storage when paired with a solar system, creating a new and important emergency preparedness measure. Since most solar projects are connected to the grid, when the electricity goes out, solar also stops working. However, when solar is paired with battery storage, the electricity generated is stored on site, creating an oasis of electricity during a power outage. Entities Oregonians will rely on in emergencies, like police departments and food banks, cannot access federal incentives and may not have access to current local incentives. Including battery storage in the rebate means that Oregon will be more prepared for the big one when it finally hits.

Solar has been a growing industry in Oregon since it began in the 70's. Last year's job loss can quickly be reversed with a new state incentive, which provides bridge funding while technology improves and prices continue to decline. Customers that have installed solar power are thrilled to be producing their own power, free of air and carbon pollution. HB 2618 can give more Oregonians that opportunity.

Thank you for your consideration.

Angela Crowley-Koch
Executive Director
Oregon Solar Energy Industries Association

² Business Insider, Dec 4th, 2017. <https://www.businessinsider.com/how-high-income-and-low-income-americans-spend-their-money-2017-3>