

# Oregon's Community Solar Program

House Energy and Environment Committee  
Informational Hearing

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# Outline

- Overview and objective of Hearing
- Community solar 101
- National snapshot

## **As a solar industry representative ..**

- The Good News ..
- The Bad News ..
- The Opportunity

# Objective of this Informational Hearing

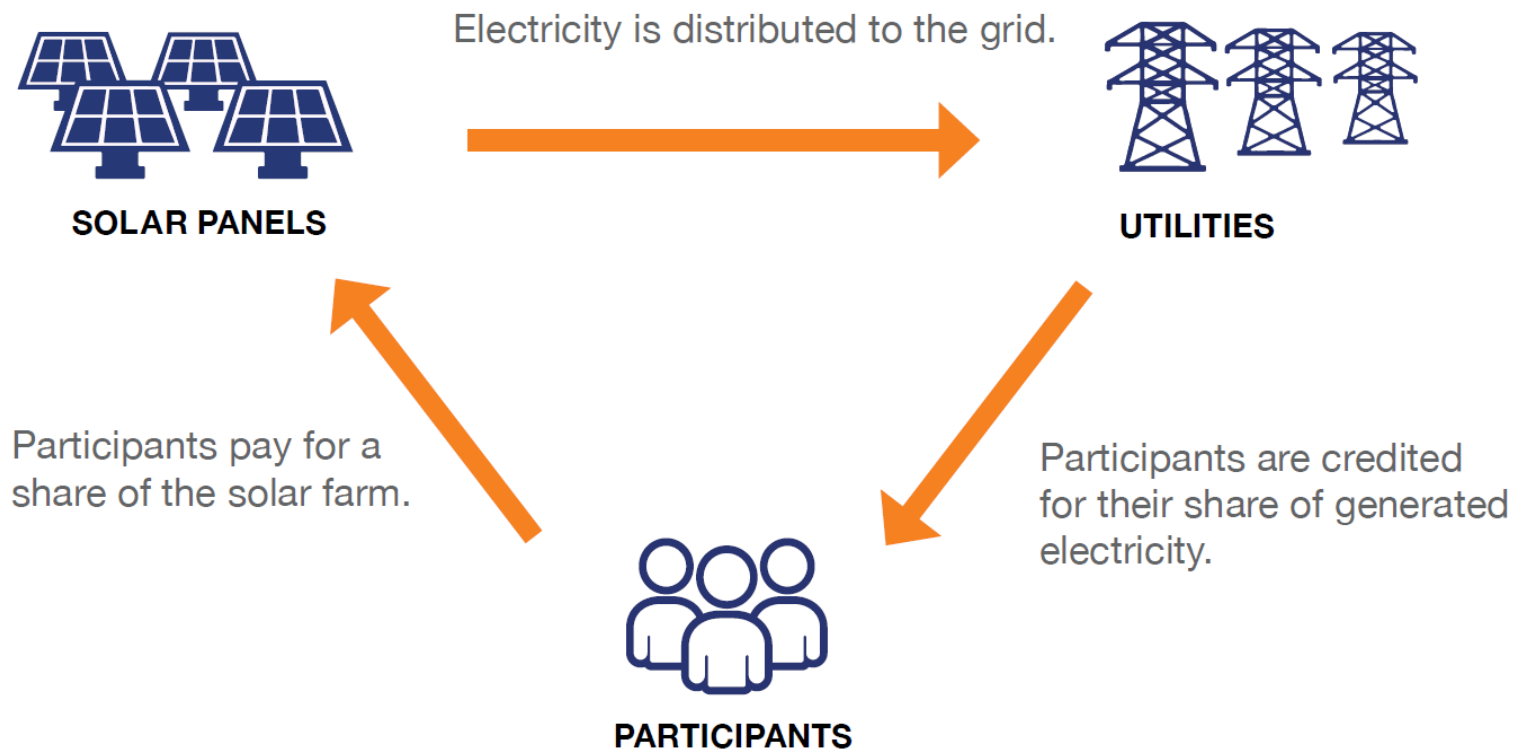
- Background of Oregon's first state-wide community solar program
- Status of its implementation
- Hopes, challenges, and opportunities, going forward
- Share perspectives from the PUC, utilities, industry, and advocates

# Why Now?

- Legislation was passed three years ago, and the legislature should be educated on the status of what it enabled.
- We're on the cusp of many important questions being addressed that carry critical implications for the success of the program.
- This hearing provides an opportunity for key stakeholders to get on the same page.

# Community Solar – How It Works

**Allows individuals and businesses to subscribe to or own a portion of a solar system located anywhere in their service territory, and receive credits on their bill associated with their share of generation**



# Community Solar – Benefits

## Equity

Expands accessibility to all customers, regardless of whether they own their property or face other investment limitations

## Economic Development

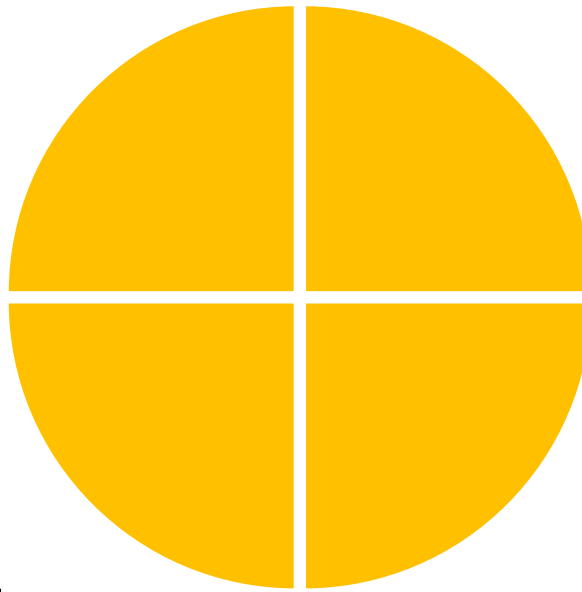
Involves multiple business sectors (construction, land-leasing, finance, marketing, etc.) and produces state and local tax revenues

## Economies of scale

Allows for more optimized project sizing and location, thereby reducing costs and improving performance

## Customers like it

Provides more flexible options for reducing electricity costs and directly participating in the costs and benefits of renewable energy



# Community Solar – National Snapshot

## A hot solar sector!

- 43 states with at least one project on line
- 1,387 MW (cumulative) installed through 2018
- At least 19 states (+D.C.) have enabling policies
- >40% of programs have low-to-moderate income subscribers

SEIA & SEPA

## Not all programs are successful:

- Risk / uncertainty, and inability to guarantee savings to customers undermines the success of some notable programs (e.g., California)



Source: SEPA Community Solar Database. Data up to date as of December 31, 2017

# The Good News in Oregon

- ✓ Oregon customer market is hungry for clean energy!
- ✓ Local industry is hungry for new opportunities
- ✓ Rules are complicated, but reasonable
- ✓ Low income participation is required
- ✓ Residential & small commercial participation is assured
- ✓ Capacity carve out for small projects
- ✓ Program size (“initial capacity tier”) is reasonable and comparable to Oregon’s net metered capacity





# The Bad News ...

## Program Uncertainties

- Credit rate unknowns
  - The program has been spliced (25%) into an initial semi-known rate, followed by (75%) unknown rate
- Potential for very high admin. costs is real
  - (i.e., application vs. ongoing fees)
- Low-income participation costs/ options unknown
- Program launch date not guaranteed

## Lack of New Development Opportunities

- Pacific Power currently lacks capacity to interconnect new projects
- High-value farmland is off limits (~80% of Willamette Valley (higher % for 2-3 MW projects))

## Timing Risk Factors

- Projects in interconnection queues are under their own timing/ costs risks
- Federal subsidies are declining

# The Opportunity

PUC and Staff have indicated a recognition of most of these issues, and that actions are in motion, regarding:

- Analyzing project economics;
- Defining the credit rate(s) and associated capacity allocation(s);
- Role of RVOS;
- Identifying potential solutions for interconnecting in PAC territory; and
- Defining low-income options

Industry looks forward to stakeholder engagement opportunities around these issues, and we stand by at least one major solution opportunity ..

# One Potential Solution

**Reduce uncertainty and program costs, by allocating the full initial capacity tier at program launch, and at a workable rate for both large and small projects.**

This step will benefit everyone:

## Industry

- Reduces development and investment risk and allows for business models to scale and be more diverse

## Administrator

- Provides a longer runway for program design and cost recovery assumptions

## PUC

- Creates bandwidth for Staff and more time and substance to evaluate market and RVOS role

## Customers

- Ensures greater equity across state programs and opportunity to participate sooner