

Oregon Community Solar SB1519 Amendment

Date: 2/12/2022

Position: FAVOR

First and foremost, we strongly support the extension of Net Metering ad valorem tax exemption.

Comments: **All** Community Solar relies on Virtual Net Metering and deserve equal tax-exempt treatment.

ORS 307.175 exempt solar systems from Ad Valorem tax with indifference to utility customer type. All Non-residential systems whether private or public, for-profit or non-profit, directly own or leased by a 3rd party are tax exempt equal to residential systems. *Any basis to support Oregon Community Solar (OCS) residential subscribers be tax exempt apply to non-residential subscribers also.*

In the PUC's Community Solar Implementation (UM1930) established authority and energy transaction is *accomplished via Virtual Net Metering*¹. No tax distinguishment between qualifying subscribers is made. In *OAR860-088-0080 (1)*, *this Legislature gave small commercial customers equality with residential in the same 40% capacity requirement.*

The June 2021, Community Solar Program's 12-Month Report stated Tier 1 projects were already subscribed **95%** with non-residential subscribers². Also, in 26 months, only 6% of OCS projects requested certification. In clarifying OCS as Net Metering, SB1519 should not discriminate a vast majority of eligible subscribers in these senior projects as they will cancel out. That will exacerbate entities seeking to meet carbon reduction goals (including EO20-04) and stall OCS revenues for program administrative fees out by 2 more years, if not forever.

It's noteworthy, a) per OAR 860-088-0160 Community Solar Program is **NOT** subsidized by non-participants but the energy and fees are covered by the subscribers; b) Oregon's CS Program needs consistent rules to succeed.

The November 2019 Lewis & Clark revenue study was purely speculative and before OCS Program launch. The data makes clearly clear now, this Program is underperforming. Any revenue impact study omitting renewable energy's mitigation to Oregon's environmental damage (e.g. fire and flood fiscal loss) from global warming is incomplete. One forest fire avoided offsets a speculative high-mark in tax revenue collected. Also, Ad Valorem tax that kills Community Solar projects is now partly refunded by General Fund surplus kicker laws.

SB1519 must pass but should not discriminate eligible subscribers 26 months *after* program launch who equally desire solar energy Net Meter against their energy bills. Amending pg1 lines 20-21 (below) and removing Section 6 avoids unnecessary discrimination. It helps save many Community Solar projects if not the Program.

- 18 **(a) An alternative energy system that is:**
19 [(a)] **(A) A net metering facility, as defined in ORS 757.300; or**
20 [(b)] **(B) Primarily designed to offset onsite electricity use; or**
21 [(c)] **A community solar project certified under OAR 860-088.**
22 **or leased by residential subscribers.**

Oregonian's overwhelmingly support energy choice and equality for all Community Solar subscribers is merited.

Respectfully yours,

Daniel Hale *DA*

¹ PUC UM1930, in Order 20-038 (pgs. 12-23) and Appendix A DOJ Interoffice Memo, dated January 31, 2019.

² UM1930hah9220