

Southern Oregon Climate Action Now

SOCAN

Confronting Climate Change

<https://socan.eco>

Alan R.P. Journet Ph.D.
Cofacilitator,
Southern Oregon Climate Action Now
7113 Griffin Lane
Jacksonville OR 97530-9342
alan@socan.eco
541-301-4107
March 1st 2022

Representative Nathanson and members of the House Committee on Revenue:

I write as co-facilitator of Southern Oregon Climate Action Now on behalf of the over 1600 rural Southern Oregonians who are SOCAN (<https://socan.eco>). Our mission is to promote awareness and understanding of the science of global warming and its climate change consequences and motivate individual and collective action to address the resulting climate crisis. Within this framework, we also focus on social justice

I write regarding SB1519 which, I am guessing, will be assigned to the House Environment and Natural Resources Committee. Since it passed through the Senate Energy and Environment Committee.

We are very supportive of all efforts to promote community solar since a critical component of the new energy sector will likely be more localized mini-grids, and community solar projects could be a key component in these. It should be our goal to promote community solar in any way we can. This is because the community solar option allows renters and homeowners with inappropriate roof orientation and inadequate structural capacity for solar panels and renters who cannot install solar themselves to take advantage of projects by buying or otherwise contracting with community solar operators to provide electricity to the grid that compensates for their use.

We need to acknowledge, however, that some 75% (approximately 120 mW) of community solar capacity will be developed by not all, or indeed many, community solar projects will be developed and managed by local resident or non-profit organizations. Indeed, to encourage solar energy generation, we should acknowledge that the vast majority of customer subscribers and solar projects are dependent on the success of pre-certified projects that have filled 75% of the program to date.

However, in conversation with Daniel Hale of Sunthurst Energy LLC we learn that there are potential flaws in the bill that the Senate declined to fix. While the bill targets and offers tax exemption to residential community solar participants, these are not this will help only a scant 5% of Tier 1 investors in community solar projects .

One of the basic energy inequities in our economic system is that Governmental funds are used extensively to subsidize fossil fuel. A 2021 [report from the Brooking Institution](#) placed the global subsidy at \$500 billion. Meanwhile, the International Monetary Fund estimated the figure for 2020 to be \$5.9 trillion dollars which turns out to be \$11 million per minute. For the United States alone, this study estimated the subsidy at \$662 billion (p. 38), a total that approximate \$2 billion per day. Those of us arguing for climate action have repeatedly urged the federal government to level the playing field and eliminate the subsidies. In the absence of such a step, the only way to level the playing field is to accord some breaks for those seeking to promote renewable energy sources. One such step would be to offer property tax breaks for those willing to develop or invest in renewable energy production. Community

solar projects offer a perfect example of how such an effort could promote the kind of energy production we need.

The key question is whether tax breaks should be offered to private companies wishing to enter the community solar project arena or whether such tax breaks only to residential subscribers. If community solar is an effort we think laudable, it seems reasonable that individuals promoting such projects should be encouraged with incentives in the same that we still mistakenly incentivize fossil fuel.

To level the field a little, we propose adjusting the bill to provide property tax breaks to all community solar projects

The actual SB1519A Engrossed reads as follows on p. 1:

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.

21 (b) The proportion of a community solar project that is owned by residential customers
22 or leased by residential subscribers.

The suggested amendment is to revise these lines as follows:

19 [(a)] (A) A net metering facility, as defined in ORS 757.300; or

20 [(b)] (B) Primarily designed to offset onsite electricity use.

21 (b) A community solar project certified under OAR 860-880.

22 [blank / delete]

To this is added the suggestion that Section 1 # 6 should be deleted.

The effect of this proposal is to adjust the bill to provide property tax breaks to all community solar projects. Recognizing that county Boards of Commissioners might resist such an effort, an alternative approach would be to provide companies establishing community solar projects a tax credit equivalent to any county property tax that such companies pay.

While we encourage the House E & NR committee to consider these suggested amendments, we would also support the bill as introduced since it offers encouragement to residential solar projects.

Unfortunately, my ISP does not allow me to attend the meeting and offer oral testimony.

Respectfully submitted

A handwritten signature in black ink that reads "Alan Journet". The signature is written in a cursive, flowing style.

Alan Journet Ph.D.
Cofacilitator
Southern Oregon Climate Action Now