

HB 3418 A STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

Action Date: 03/20/23

Action: Do pass with amendments and be referred to Tax Expenditures by prior reference.
(Printed A-Eng.)

Vote: 9-1-0-0

Yeas: 9 - Andersen, Helm, Kropf, Levy B, Levy E, Marsh, Osborne, Owens, Pham K

Nays: 1 - Wallan

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Prepared By: Erin Pischke, LPRO Analyst

Meeting Dates: 3/13, 3/20

WHAT THE MEASURE DOES:

Extends to January 2, 2029, sunset of program for provision of rebate for construction or installation of solar electric system or paired solar and storage system, for residential customer or low-income service provider, on real property in Oregon. Modifies definition of “paired solar and storage system.” Requires Oregon Department of Energy (ODOE) to waive the requirement for a renewable energy production system that construction begin within 12 months of an award (ORS 469B.256) if the department finds that: 1) construction was delayed because of supply chain or workforce disruptions or shortages related to the COVID-19 pandemic; and 2) construction began between March 1, 2020, and March 31, 2022. Establishes that a performance agreement for a renewable energy production system is not void and ODOE may not revoke a grant if the department waives the requirement that construction begin within 12 months of an award (ORS 469B.256).

ISSUES DISCUSSED:

- Success of original program
- Technical corrections made in amendment
- Supply-chain challenges

EFFECT OF AMENDMENT:

Requires Oregon Department of Energy (ODOE) to waive the requirement that construction begin within 12 months of an award (ORS 469B.256) if the department finds that: 1) construction was delayed because of supply chain or workforce disruptions or shortages related to the COVID-19 pandemic; and 2) construction began between March 1, 2020, and March 31, 2022. Establishes that a performance agreement is not void and ODOE may not revoke a grant if the department waives the requirement that construction begin within 12 months of an award (ORS 469B.256).

BACKGROUND:

Solar energy technologies, including daylighting, passive solar space heating, solar water heating, and solar electric or photovoltaic (PV) systems, generate electrical and thermal energy in all parts of Oregon. The combination of federal, state, and utility incentives has helped to accelerate demand for and increase the volume of solar energy projects in Oregon. State-supported incentive programs have included residential tax credits and commercial grants, utility-sponsored rebates, and a pilot volumetric incentive rate program.

In 2019, the Legislative Assembly passed House Bill 2618, which established the Oregon Solar + Storage Rebate Program to provide rebates through contractors for the purchase, construction, or installation of solar electric systems and paired solar and energy storage systems, to be administered by the Oregon Department of Energy (ODOE). The program prioritizes low- and moderate-income residential customers and nonresidential customers

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that are low-income service providers to receive rebates.

According to ODOE, in the 2021 calendar year, the department “reserved or rebated 684 projects, representing over \$2.52 million in funds,” of which 37 percent went to projects owned by Oregonians with low or moderate incomes or to low-income service providers. The program is scheduled to sunset January 2, 2024.

House Bill 3418 A extends the sunset of the program for providing rebates for the purchase, construction, or installation of solar electric systems and paired solar and storage systems to January 2, 2029. The Act requires ODOE to waive the requirement that construction begin within 12 months of an award under certain circumstances.