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Solar industry, nonprofits say state regulators, private utilities are stifling rooftop solar

They created a coalition to support the expansion of solar energy and to fight against what they say are barriers created by utilities and the state

By ALEX BAUMHARDT Oregon Capital Chronicle

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Workers install a solar system for a Bend customer on Wednesday, Oct. 4, 2017. (Ryan Brennecke/Bulletin file photo)

RYAN BRENECKE/The Bulletin

More than three dozen solar energy companies and community and environmental nonprofits that have banded together in a new coalition are challenging state utility regulators and private utility companies over what they say are attempts to limit individual and community solar energy projects.

The [Save Oregon Solar Coalition](#) said in a recent news release that electricity rate hikes and limits or proposed limits on residential and community solar projects by utilities are making the transition to clean energy difficult across the state, particularly in economically disadvantaged communities.

The coalition includes the Oregon Solar and Storage Industries Association and the Korea and California-based solar company Qcells, which is currently waiting on permits for one of the state's largest solar-grazing operations. The Eugene-based Advanced Energy Systems is also a member along with environmental and social justice groups, such as Sierra Club Oregon Chapter, Southern Oregon Climate Action Now and Portland-based Verde.

It called out moves by two of the state's investor-owned utilities – Idaho Power and Portland General Electric – to limit “net-metering” systems that allow small solar producers to send excess energy back to the grid for other customers to use. In return, utilities give small power producers – such as homeowners

and building owners with rooftop solar panels – a rebate on power bills equal to the retail value of that energy. Net-metering systems are one of the advantages homeowners receive for investing in solar panels.

But Idaho power has cut rebates by about 30% after approval from the Oregon Public Utilities Commission. Kandi Young, a commission spokesperson, said in an email that it approved the rebate cut so that the company could align its net-metering rates in Oregon with those in Idaho.

PGE has also proposed cuts in its rebates as well as requirements that residential and community solar producers install battery storage systems for excess energy that can cost up to \$20,000. PGE has yet to submit that request to state regulators.

Rooftop solar installations account for less than 1% of Oregon's electricity, but installations have skyrocketed in the past two decades with state and federal subsidies and grants. Today about 25,000 homeowners in Oregon are generating solar energy, according to [Energy Trust of Oregon](#).

But that expansion could slow. The solar coalition said the investor-owned utilities want to limit the ability for Oregonians to generate their own electricity by paying them less for that power, while asking all customers to accept rate hikes each year.

PGE has asked the Oregon Public Utilities Commission for a 6.3% rate hike in 2025, and Idaho Power requested a 27% increase. The commission turned the latter down, only allowing Idaho Power, which serves 22,000 customers in Oregon, to increase rates starting in October by 4%.

Rooftop solar typically results in cost savings for utilities because they can acquire the energy without investing in new, expensive transmission lines like those needed for larger energy projects. Energy generated from community and home solar installations passes through the wires and poles that already exist in neighborhoods.

That's one reason it should not be curtailed by industry barriers, coalition members said.

"We should be going in the other direction, working to strengthen net metering and make it work better for people, for renters, for example, not going the other way," said Angela Crowley-Koch, executive director of the Oregon Solar and Storage Industries Association.

Net metering

Oregon law has protected the right of small solar producers to sell energy back to utilities since 1999. Net metering requires utilities to install a special meter to go with home and building rooftop solar installations that measures the power they generate as well as the power the customer pulls from the grid when the solar panels aren't generating enough electricity.

Homeowners and building owners with solar panels have typically received an equal exchange from the utility companies, receiving credit for the retail price for the excess energy their panels generate. But utility companies want to lower the customer rebates to match the wholesale rates they would pay for energy from other sources.

Jordan Rodriguez, a spokesperson for Idaho Power, said in an email that the company lowered net-metering rates in eastern Oregon to “modernize an outdated compensation structure for on-site generation.”

The company now pays solar-generating customers the wholesale rate for their energy rather than the retail rate it charges customers for power. Doing so, he said, means the utility is no longer using other ratepayers to subsidize the electricity bills of home and building owners with solar panels.

A similar argument was enough to persuade California regulators in 2023 to allow the state’s largest electric utilities to lower their net-metering rates. They now pay about 75% less in rebate credits back to customers for their excess power. In response, the California Solar and Storage Association said demand for new residential and community solar projects dropped 80% in the last year because the big incentive to install expensive solar installations – which can cost up to \$20,000 before any state or federal rebates – is getting those rebates.

The Save Oregon Solar Coalition fears what happened in California could happen in Oregon as well.

It’s unclear whether PGE might ask the utilities commission to lower its net-metering rates.

“PGE remains committed to supporting solar energy in the state, as it aligns with our goals of strengthening the grid while prioritizing system reliability and affordability for all customers,” Amber Weyers, a PGE spokesperson, said in an email.

Oregon’s electric utilities have included expanding rooftop and community solar projects in their proposed plans to meet state climate change and emissions reduction targets under [House Bill 2021](#). It requires the electric utilities serving Oregon customers to reduce greenhouse gas emissions from electric energy sources 80% by 2030. The companies need more rooftop solar and community solar to meet those targets, but Crowley-Koch of the Oregon Solar and Storage Industries Association said moves to reduce net metering or require expensive batteries is antithetical to that.

“It’s this weird sort of sleight of hand that’s going on where they’re proclaiming to need net metering and that they want it to reach their goals, but then, on the other hand, they’re putting out these proposals that would just totally kill net metering,” Crowley-Koch said.

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