



Senate Committee on Energy and Environment  
Oregon State Capitol  
900 Court St. NE  
Salem Oregon 97301

February 25, 2025

Chair Sollman, Vice-chair Brock Smith and members of the committee,

The Oregon Solar + Storage Industries Association (OSSIA) is a trade association founded in 1981 to promote clean, renewable, solar technologies. OSSIA members include businesses, non-profit groups, and other solar and storage industry stakeholders. We provide a unified voice of the solar industry and focus exclusively on the solar and storage value chains; from workforce development to permitting, advocacy, policy, and regulation for manufacturing, residential, commercial, community, and utility scale solar and storage projects on the local, state, and regional level.

OSSIA urges this committee to pass SB 92-2 to continue Oregon's community solar program. The legislature passed SB 1547 in 2016 and directed the Public Utility Commission to create a community solar program. Community solar allows one solar project to have its energy subscribed by many different customers. When you subscribe to community solar, you don't need to have panels on your roof in order to have 100% clean electricity. Oregon's community solar program requires that at least 10% of each project have its power subscribed by low-income ratepayers, and those low-income ratepayers are required to receive a discount on their bill, in most cases that discount is around 20%.

The community solar program finally started in 2020 and today there are 38 projects across the state producing clean energy for their subscribers and 32 more projects in the works. These subscribers are renters, community colleges, non-profits, multifamily housing, cities, and both small and large businesses in Oregon.

OSSIA asks you to pass SB 92-2 because the program is at a standstill. The Public Utility Commission (PUC) initially allocated 160 MW to the program, in two tiers. Almost all of the capacity is spoken for and the PUC has not acted to extend the program.

This standstill has become an urgent issue for a particular set of projects, the "carve-out" projects. These are special projects that fit one of four criteria: the projects are small, the projects are developed by a non-profit, a coop, or a public entity, the project has over 50% low-income



subscribers, or the project is has 50% of subscribers in an underserved community. These projects take around twice as long to develop as projects created by private developers. Non-profits need to raise funds for projects and work closely with community groups. This long lead time means that carve-out projects are just now ready to enter the program. However, there is not enough capacity left for all the projects that non-profits are currently developing. If the legislature does not act this session to continue the program, these special types of projects may not get built. To address this problem and restart the program, SB 92-2 would expand program capacity by 2% each year until 2031.

In addition to expanding the capacity of the program, the -2 amendment makes a number of important improvements to the program. Several of the proposals in the -2 seek to improve interconnection. The utility needs to take several steps to interconnect projects to the grid. The utility conducts a study and then manages any grid upgrades that the project pays for. Especially in PacifiCorp territory, community solar projects have not been interconnected in a timely manner. This means that hundreds of low-income customers have been waiting for months – in two cases, over a year! – to start receiving their bill discounts. This is unacceptable. Having a fast interconnection process also means that projects start generating revenue to pay program administrative costs, which benefits all ratepayers. The -2 amendments make several changes to the interconnection process – including creating penalties – to decrease delays.

The -2 includes another way that community solar can benefit both communities and the grid, by installing battery storage with a community solar project. While batteries are allowed in the program, there is not a compensation rate which would feasibly allow batteries to be installed with the project. The -2 amendment asks the PUC to determine a rate of compensation sufficient to finance battery storage on a project.

Lastly, the -2 amendment includes several proposals to increase flexibility in the program:

- Larger projects. Community solar projects are currently capped at 3 MW. The -2 amendment would allow projects up to 20 MW. Not only will this allow non-profits and private developers alike to benefit from economies of scale, it would also allow PGE and PacifiCorp to more quickly reach their goals for community-based renewable energy (CBRE) projects, as required in HB 2021. CBRE projects can be up to 20 MW, making this community solar change mutually beneficial.
- Flexibility in project location. Currently projects are required to be located in the same service territory as the subscribers. However, the Willamette Valley has the least sun and more land-use restrictions, while having a much higher energy usage. Allowing projects to be located in



a different territory would allow for Oregonians to take advantage of the sun shining on the eastern side of the state.

- Flexibility for subscribers. Currently, large businesses are capped at a maximum of 4 MW of capacity across all projects. Oregon is the only state to have such a restriction. It keeps our larger businesses from receiving all or most of their power from community solar. The -2 removes that aggregate cap, while keeping in place a per project cap on the amount of energy a large business can subscribe to.

The -2 amendment also asks the PUC to make public the administrative costs to the program and reduce them. Oregon's program has the highest administrative costs in the country. While there are some good reasons for this – Oregon's program is the only one to have a "low-income facilitator" to help projects find low-income subscribers – there may be other administrative costs that are no longer needed, now that the program has been up and running for five years.

OSSIA is in active conversations with the Association of Oregon Counties regarding the tax treatment of projects over 3 MW. Currently, community solar projects are exempt from property tax. OSSIA recognizes that projects larger than 3 MW should pay some form of property tax and we are working with AOC to determine what that should look like.

Lastly, as this committee well knows, programs that benefit communities and low-income Oregonians do come with a price tag. While the community solar program does have a cost to ratepayers, it is a small one. My own PGE bill from Dec-Jan included five cents for community solar. This is 4% of what I pay on my bill for PGE's share of a coal plant in Montana. OSSIA believes this small cost is worth the large benefits the program provides to communities and low-income ratepayers.

OSSIA urges your support of SB 92-2 to support community solar in Oregon.

Sincerely,

Angela Crowley-Koch  
Executive Director