



April 23, 2025

Attn: Senate Committee on Energy, and the Environment  
Oregon State Capitol  
900 Court St. NE  
Salem, OR 97301

Re: Testimony in Support of House Bill 3863

Dear Chair Sollman, Vice-Chair Brock Smith, and Members of the Committee,

The Oregon Solar + Storage Industries Association (OSSIA) supports House Bill 3863, which aims to allow solar standard rates and contracts to be consistent with the threshold for wind, at projects 10 megawatts (MW) in size.

OSSIA is a trade association founded in 1981 to promote clean, renewable, solar technologies. OSSIA members include businesses, non-profits, and other solar and storage 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 to advocacy. We represent the solar industry by advocating for effective policy and regulation for manufacturing, residential, commercial, community, and utility scale solar and storage projects on the local, state, and regional level.

OSSIA supports HB 3863 because currently, only Qualifying Facility (QF) solar projects under 3MW are eligible for standard cost rates and contracts. If the threshold was increased to 10MW, more QF solar projects would get off the ground. The standard rate and contract would allow small solar projects to reduce their own costs, achieve financial viability, and secure financing. Other renewable QF sources, like wind and hydro, have a 10MW threshold.

Without standard rates and contracts, these small projects need to negotiate with utilities, just like large projects do. This puts a large burden on the small businesses that build these smaller projects. Only small developers, individual farmers and landowners, are looking to build projects under 10 MW. Large renewable companies are only focused on projects above 20 MW (and in most cases, much, much larger projects).

This change would not impact utility rates. PURPA contracts would continue to be set at the “avoided cost rate,” which means the cheapest price on the market at the time of signing the contract. Technically meaning, the cost that the utility avoids by purchasing the power from the project, instead of generating it themselves or buying it elsewhere. If a small project costs more than the utility’s “avoided cost rate,” then it will not be constructed under this program because it will not be financeable.

Solar QF projects are advantageous to Oregon's ratepayers, economies, and grid resilience. Standard rates are generally set at the "avoided cost rate." According to Oregon Department of Energy's 2022 Small Scale Renewable Study, the avoided cost rate is "the amount the utility would pay if the utility were procuring comparable power." The avoided cost rate would result is intended to be cost-neutral to ratepayers. Small solar energy projects offer good paying jobs and tax revenue to the communities where they are located. Oregon's residents should reap the benefits of this development, not other states that would send the power to Oregon. Additionally, small solar projects can often be built closer to where they are sending power, reducing strains to the transmission system and increasing grid resilience.

The claim from utilities that small projects cost more points to old contracts from 15 years ago, before solar prices came down. Projects sign contracts for the cheapest energy price at that moment in time. Between 2009 and 2016 when standard contracts for solar were reduced to 3 MW, solar prices came down dramatically, by 6.5 times. Any contracts signed now will not see the same dramatic change in price, as solar prices have now leveled off.

OSSIA urges this committee to support HB 3863 and support small solar projects in Oregon.

Sincerely,

A handwritten signature in black ink, reading "Angela Crowley-Koch". The signature is fluid and cursive, with the first name "Angela" and last name "Koch" being more prominent than the middle name "Crowley".

Angela Crowley-Koch  
Executive Director