SOLAR UNITED NEIGHBORS ACTION

February 9, 2026

Solar United Neighbors (SUN) Action Testimony in support of SB 1582

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

On behalf of our over 9,000 supporters in Oregon, Solar United Neighbors Action or SUN Action is excited about the opportunity SB 1582 brings to create community-based power through virtual power plants.

SUN Action is a national nonprofit that represents the needs and interests of solar owners and supporters across the country. We work to create a clean, resilient, and equitable energy system.

Through passage of SB 1582, Oregon will join a line of other leading states, including Colorado, Arizona, Virginia, Illinois, and Maryland, that have taken important policy steps to enable Virtual Power Plants as a critical grid services and capacity tool.

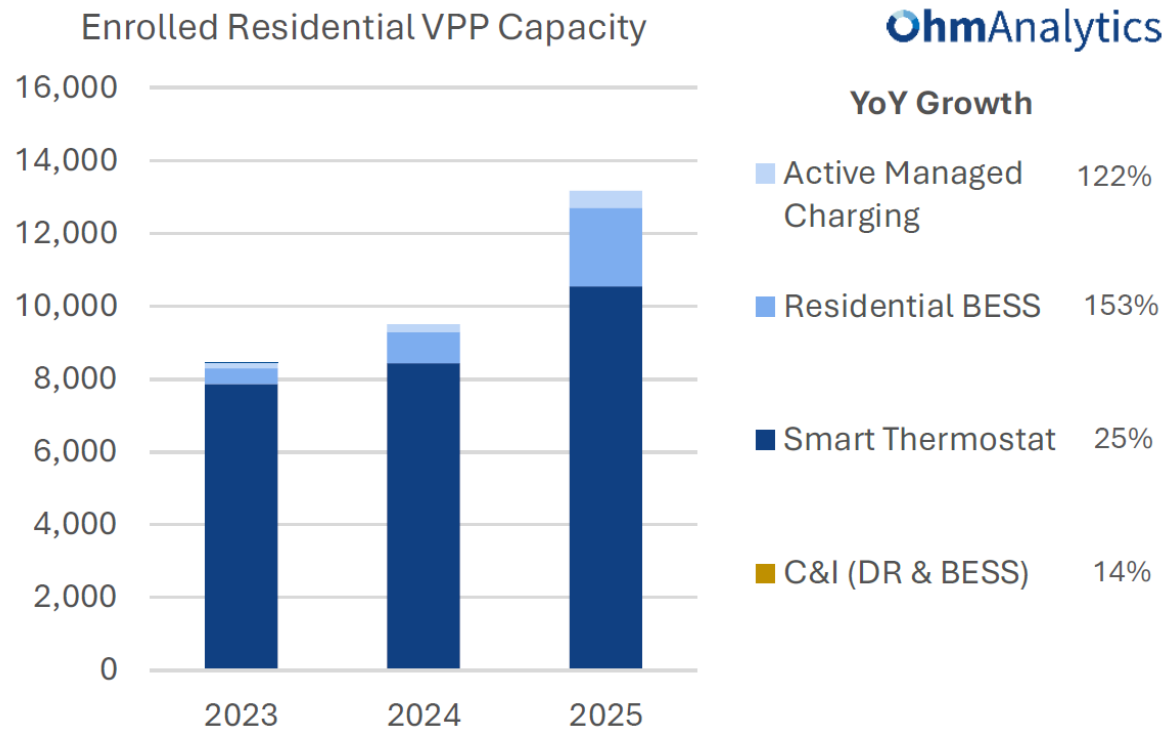
Virtual or distributed power plants offer a technology-neutral, market-based approach that harnesses the power of consumer choice and private investment to benefit the entire grid. Virtual power plants work by bundling together, or aggregating, distributed energy resources such as solar-charged battery storage, smart thermostats, electric vehicles, and appliances. Third-party companies, called aggregators, help manage these resources effectively and cost-efficiently providing a large number of batteries and other resources to be discharged to the grid when called upon by a utility when it needs the resources the most. These companies work on the behalf of customers to manage communication, dispatch, and control to enable a large number of resources to be deployed to the utility easily.

The open access policy of SB 1582 leverages these companies and their staff, resources, and technology, allowing utilities to keep their own overhead and administrative costs lower, helping to save customers money. Third-party aggregators also assist with customer enrollment and marketing and overall help scale virtual power plant programs. Additionally, third-party aggregators can help distributed energy resources, like battery storage, become more affordable and available through offering financing arrangements for customers.

1350 Connecticut Avenue NW, Suite 412 | Washington, DC 20036
(202) 888-3601 | www.solarunitedneighbors.org

As an example of how this works in practice, battery companies in Puerto Rico have networked more than 81,000 solar-plus-storage customer systems to support the electrical grid during the hot summer months with over 500 MW of additional on-demand, dispatchable energy. The benefit of this fleet of tens of thousands of batteries is they can be orchestrated in unison, creating scale and capacity at a level a utility could not achieve on its own. Likewise, in the Connected Solutions program in New England, ten battery storage partners help manage the discharge of their batteries to the grid, making it easy for customers to participate and affordable for the utilities to integrate those resources.

Programs across the country - and in fact the world - are growing, but recent data from Ohm Analytics shows that "growth in enrolled capacity of smart thermostats in traditional programs has plateaued to 4% YoY in 2025 [while] [r]esidential and C[ommercial] & I[industrial] battery enrollments will play a crucial role in scaling VPPs." Residential battery programs increased 153% YoY to 2.2 GW of enrolled capacity, but many programs (like those in Oregon) remain in pilot mode with limited enrollment. The report notes that "scaling beyond pilots is mission-critical to the success of VPPs." [source with link to the report's Executive Summary https://pv-magazine-usa.com/2026/01/27/ohm-analytics-2025-vpp-market-report-reveals-21-growth-in-overall-capacity/]



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The time for smart, effective Virtual Power Plant policy in Oregon is now, with customers installing home batteries at much higher rates than ever before. Wood Mackenzie estimates that 35% of all home solar installations this year will include batteries, and Oregon is no exception. According to data from Ohm Analytics, Oregon is the second fastest growing residential storage market in the country, with roughly 400% year-over-year growth, and more systems are coming online every day. These battery installations represent significant amounts of already deployed resources paid for through private investment, just waiting for the right legislative policy to enable the opportunity of Virtual Power Plants.

Turning to the bill, as modified by the -2 amendment:
Section 2 of the bill creates new definitions to govern how virtual power plants will work in Oregon. Notably, the definition of aggregator is inclusive of utilities acting as aggregators of distributed energy resources. This option allows the utilities to build upon their existing pilot programs, enabling them to expand programs versus starting over from scratch. We recognize the utilities have been making good investments with ratepayer dollars to create small pilot programs, but the policy direction of SB 1582 is needed to achieve scale and cost-effectiveness to maximize benefits for ratepayers.

Section 3 creates a requirement for utilities to file programs for review and approval before the PUC. The program is an open access tariff program, meaning essentially a bring your own device program enabling customers with existing resources to connect and be compensated for the energy they share. The compensation would be proposed by the utility and set by the PUC. The program authorizes different terms and conditions for different resource types, recognizing the unique attributes of storage vs. thermostats vs. electric vehicles. Customers are compensated fairly, but the effectiveness of the programs lies in their ability to save costs for all customers, ensuring savings and creating affordability. The -2 amendment also allows, but does not require, the utility to acquire resources through competitive solicitation processes, like a RFP.

Section 4 is a new section proposed in the -2 amendment that creates standards for aggregator participation and for how data is used and shared, adding new consumer protection measures to benefit Oregonians that enroll in the program through aggregators.

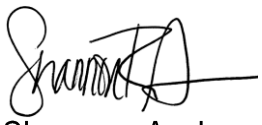
Section 5 requires the PUC to set goals and objectives related to the size and benefit of virtual power plant programs to meet a portion of utility peak demand. Government research and the practical experience of other states show that virtual power plants have the potential to meet 5, 10, or even 20% of peak demand from a utility in a very short period of time. The section also creates reporting requirements for the utilities to report on the growth of their programs.

Section 6 creates the bulk of the requirements to file a program before the PUC by July 1, 2027. While this may seem fast, other states have operated on even tighter timelines and every utility has been able to meet the deadlines. The timing has also been adjusted by the -2 amendment to allow the PUC to tend to other priorities this year before programs are filed. Additionally, the program filings are designed to start with batteries and grow with other technologies as appropriate in future years, and as mentioned, the utilities can incorporate existing programs into the new filings.

Overall, through this legislation, Oregon will be well-positioned to be the next leading state for Virtual Power Plants. We hope you will support SB 1582 and its ability to help keep energy affordable for all Oregon residents.

Thank you for your time and consideration of this important legislation.

Sincerely,



Shannon Anderson
Distributed Power Plant Policy Director
Solar United Neighbors Action