August 14, 2015

Dear Stakeholders:

Thank you for your interest in Docket No. UM 1746 and for participating in the first workshop. As promised, Staff is sending this email to provide further guidance on public comment due on Tuesday, September 1, 2015. Stakeholders may provide any information that they would like to bring to the attention to Staff and the Commission, but this guidance is intended to convey the type of information that would be most helpful to Staff while developing the draft recommendation. In addition, I have copied the revised docket schedule below, but have added the timeframes for workshops/meetings so that you can plan accordingly.

Guidance on Public Comment (due 09/01/2015)

- **Reaction to Attribute Characteristics**. Please provide your reaction to the proposals and Q/A that you heard at the first workshop. Are there particular attribute characteristics that you found would "best balance the resource value benefits, costs and impacts to ratepayers" (HB 2941 Section 3(3))? Are there any clarifications that you would make to your initial proposal that help demonstrate that it "best balances the resource value benefits, costs and impacts to ratepayers" (HB 2941 Section 3(3))?
- **Narrowing the Field.** At the first workshop and in some proposals, Staff heard that flexibility was important, which would imply a wide range of attribute characteristics that could fit in an Oregon Community Solar Program Design. However, Staff would appreciate comments that help to narrow this wide field without leading to unintended constraints that could be detrimental to implementing an Oregon Community Solar Program.
- **Attached Attribute and Characteristic Framework**. Attached are highlights about the attributes and potential areas of consensus that Staff presented in a PowerPoint at the first workshop. Please consider using this framework (numbered (1) – (8)) to organize your preferred characteristics of attributes. The attached framework represents Staff's efforts in organizing community solar program design characteristics under specific types of attributes and highlights the range of input heard at the first workshop and from submitted proposals. This is a working document that Staff has been using to help analyze potential characteristics of community solar program designs and attributes. Staff has included this partially developed list here to assist stakeholders in developing their responses for each attribute, but it is not intended to be an inclusive list and may not reflect all ideas shared.

Revised Docket Schedule with Timeframes

- ✓ Friday, August 7, COB: ***Interested parties submit Proposals*** for community solar program design in advance of Workshop 1. Please submit proposals via email to the OPUC Filing Center (PUC.FilingCenter@state.or.us) with your name or affiliation and "UM 1746 – Community Solar Program Design Proposal" in the subject line.
- ✓ Tuesday, August 11, 1PM – 5PM: ***Workshop 1*** – Discuss program design proposals submitted by parties, provide clarifications about program design proposals, identify common attributes, and discuss pros/cons of proposals.

- ✓ Friday, August 14, ***COB***: ***Staff email*** to follow up on workshop 1 and provide direction for written public comment.
- Tuesday, September 1, COB: ***Written Public Comment*** due on program design proposals. Please submit comments via email to the OPUC Filing Center (PUC.FilingCenter@state.or.us) with your name or affiliation and "UM 1746 – Community Solar Program Design comments" in the subject line.
- ~~Friday, September 11~~ Friday, September 18, ***COB***: ***Staff email*** to provide materials for Workshop 2, including Staff draft recommendation for program design.
- ~~Wednesday, September 16~~ Wed, September 23***, 1:00-5:00PM***: ***Workshop 2*** – discuss Staff draft recommendation for community solar program design (emailed to stakeholders in advance on Friday, Sept 18).
- ~~Friday, September 18, COB~~ Friday, September 25, ***COB***: ***Written Public Comment*** due on Staff draft recommendation for community solar program design. Please submit proposals via email to the OPUC Filing Center (PUC.FilingCenter@state.or.us) with your name or affiliation and "UM 1746 – Community Solar Program Design Comments" in the subject line.
- ~~Tuesday, October 6, 9:30AM~~ Friday, October 16, ***9:30-11:00AM***: ~~***Regular***~~ ***Special Public Meeting with Commissioners*** – staff public meeting memo will provide Staff's recommendation for Commission approval. Stakeholders will have the opportunity to provide public comment at the meeting.
- Friday, October 30 – ***Submit Community Solar program design recommendation to the Legislature.*** Statutory deadline is Sunday, Nov 1, 2015.

Please let me know if you have questions. Thanks—Ruchi

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UM 1746 – Community Solar Program Design Recommendation (HB 2941)
Attribute and Characteristic Framework (revised 08/14/2015)

In deciding your preferred characteristics of attributes in a Community Solar Program Design, please bear in mind what the Commission will be using to consider attributes:

- ***Individual ratepayer access to a specific solar resource***
- ***Costs to community solar program subscribers and non-subscribers***
- ***The role of utilities***
- ***Any other reasonable consideration related to community solar program design***
    - ***Feasibility with current policies/market?***
    - ***System operational and reliability?***

In addition, please bear in mind that the Commission will be recommending a program design or attributes of a program design that best balance the resource value benefits, costs, and impacts to ratepayers.

The following list of attributes and potential characteristics represents Staff's efforts in organizing community solar program design characteristics under specific types of attributes and highlight the range of input heard at the first workshop and from submitted proposals. This is a working document that Staff has been using to help analyze potential characteristics of community solar program designs and attributes. Staff has included this partially developed list here to assist stakeholders in developing their responses for each attribute, but it is not intended to be an inclusive list and may not reflect all ideas shared.

1) **<u>Legislative Intent</u>**
    - Since a limited number of people are able to install their own solar pv system, the legislature's intent is to make solar available to those who can't take advantage of existing programs.
    - There was not a clear vision of what community solar could be, so the legislature turned it over to the experts to get a recommendation
    - The legislature is seeking a number of designs that could work in Oregon, there should be flexibility and there need not just be one design sent back to them.
    - Legislature is interested in stakeholders coming together on program design with the purpose of making solar available to those who can't take advantage of existing programs; the legislature needs specific designs to implement that purpose.
    - The intent is to allow ratepayers to avail themselves of solar when they can't do it on their own. While there are a variety of options, the legislature was looking for a narrowing of the scope of what can be offered here in Oregon.

2) **<u>Definition of Community Solar in Oregon</u>**
    - Similarities
        - Allow customers opportunity to share in the costs and benefits of solar facilities from Oregon sited solar projects transacted through their utility bill.
        - Some discussion around economic benefits, such as, bill credit.
        - For purposes of this docket (and perhaps not an expansive definition of community solar), general agreement that there should be some economic benefit for subscriber.
    - Differences – in next level of attributes that define how to design the program, e.g.:

- Ownership
- Location
- Administration

3) <u>Eligibility/Limitations Attribute</u> – Potential Characteristics:

- Customer type
  - Residential only
  - Residential and small commercial
  - Residential, Small Commercial Standard, Small Commercial Irrigation, Small Commercial Drainage
  - Any, Diversity of types and groups
- Special carve outs
  - 10% low income
  - 20% low income
  - None defined
  - Concern with carve outs
  - Maximize the benefit for low and moderate income customers
- Subscription sizing
  - Not to exceed average annual load
  - Up to 90% average annual load
  - Min of 10 customers, max 25 kW pp, at least 50% capacity subscribed

4) <u>Contract Terms Attribute</u> – Potential Characteristics:

- Length
  - Options, 2,5,7,10 yr
  - 20 year, life of system
  - Between project and customer, standards could be useful
- Termination
  - Penalty for early termination
  - Transfer of subscription within service territory

5) <u>Subscription Pricing Attribute</u> – Potential Characteristics:

- How calculated?
  - Solar resource cost plus cost of administering program
  - Price set by negotiations with solar provider
- Design
  - Energy or capacity
  - Capacity
  - Separate costs from value or combine into one netted rate?
- Other
  - OPUC does not review the cost, market takes care of consumer protection
  - Other consumer protection resources available

6) <u>Bill Credits Attribute</u> – Potential Characteristics:

- How calculated? General consensus: (Energy) x (rate) = bill credit

- Rate
    - Retail rate until Resource Value of Solar determined
    - Determined by Commission
    - Resource Value of Solar Rate (TBD)
- Energy
    - Energy estimated, not proportion of actual output
    - Proportional share of actual system output

7) <u>Minimize Cost-Shift Attribute</u> – Potential Characteristics:

- Some cost-shift should be expected and benefits of solar and increased access to solar make this cost-shift worthwhile
- Customers pay provider directly, so no shift to non-participants
- If credits are utility avoided costs, no shift to non-participants

8) <u>Risk Attribute</u> – Potential Characteristics:

- Borne by participating customers
- Unsubscribed portion attributed to all customers
- Performance guarantees in contracting limit risks
- Determined by customer/solar provider in contracting
- Developer and participant bear risks