

Climate Jobs PDX Comments re: AR 603 Docket

Dear ALJ Harper and Commissioners:

Climate Jobs PDX hereby submits our stakeholder feedback to the Proposed Rules for the Community Solar program. Climate Jobs PDX is a Portland-based advocacy organization with roots in the labor and environmental movement. Our volunteer members have been participating in PUC-sponsored meetings since last fall. Thank you for this opportunity to comment. We do so in order of the sections of the Proposed Rules.

We want to acknowledge up front that the Proposed Rules have improved, from our perspective, in several of the areas with which we have had concerns, and we appreciate that. We feel some of these improvements do not go far enough, and there are some areas that were not improved, and we are left with an overall impression that the Proposed Rules will still fall short of the goal of implementing the vision of the Coal to Clean legislation, unless more changes are made. We urge the PUC to make the following additional changes to fully implement the potential the Community Solar Program can have in Oregon:

#### **Section 040: Community Solar Program Funding**

Subsections 1, 2 and 3: We appreciate the deletion, in the Proposed Rule, of the specific 12-month start-up period, and the recognition that start-up costs include, but are not limited to costs associated with the program administrator and low-income community manager. Unfortunately, the vagueness of the new language, though beneficial in removing the prior problematic formulation, still leaves the issue fairly unresolved. We recommend inserting clearer language about how the start-up costs will be determined and for how long.

#### **Section 050: Community Solar Advisory Group**

Subsection 1 and 2: We appreciate and agree with the Proposed Rules' creation of an newly constituted Advisory Committee (as opposed to potentially using the Portfolio Committee), which can make a huge difference in how the program is developed over time. This newly-created Advisory Committee could serve the State even better if the rules were to be amended to give the Committee a proactive advocacy role, to help promote the use of Community Solar among electric company consumers and helpful changes in law or rule with policy-makers.

## **Section 060: Program Level**

Subsection 1: Limiting community solar projects to being located within an electric company's service area (of the subscribers/owners in the project), reduces access for many consumers to the most cost-effective parts of the state for solar, where the power-generating potential is higher. Utility companies, themselves, are not limited to setting up their various power-generating systems within their own service areas, although they may choose to do so. Community Solar should not be limited, either, although many will also still choose to create their projects nearby. We urge deleting this provision.

Subsection 2 and 2.a: Even though the Proposed Rules increase the "capacity tier" (or maximum cap) from 1% to 2.5%, Climate Jobs PDX is still concerned the creation of a hard cap system, as opposed to a "check-in threshold" system. Given the public policy interest in seeing renewables grow as a power source in Oregon (as evidenced in many legislative actions and policy statements of state and local jurisdictions), we recommend using the threshold system which would only require a new order if a serious problem were detected during the evaluation of program health at that point. Setting a cap makes the development of "gold rush" behavior more likely, as all concerned race to "get in under" the cap. A check-in system sends a message that projects can work to "get it right" rather than just "get it done fast."

Subsection 5: Failing the suggestion, above, to remove the "cap" concept, Climate Jobs PDX recommends then that Subsection 5 be used to add a "waiting list" for projects that are denied pre-certification because the cap has been reached, but then could become eligible for pre-certification again, if projects in the queue withdraw or are denied. An orderly system for treating all applicants in the order in which they filed for pre-certification is important to keeping the confidence of the project managers and developers (and consumers).

## **Section 080: Eligible Customers**

Subsection 1 (a and b): We recognize that the Proposed Rules include a very small loosening of the "one project per customer" provision from earlier versions. Still, the requirement that an owner or subscriber in a project cannot be a participant in more than one project per utility service area is a significant obstacle for advancing solar projects, and for providing

a means for public jurisdictions (or large private entities) to possibly help projects that support lower-income subscribers and communities. Moreover, this rule, when applied together with the Project Cap of 3MW and the limit of 40% participation rate for any one customer in a project, translates into depriving larger customers of the right to potentially invest in Community Solar up to their full annual usage's amounts. We urge revision of this rule to the point that large companies and public entities can participate in multiple projects including within the same utility service area.

We suggest that if there are not enough eligible customers to fund a project in the same contiguous service territory where the project is located then customers outside the contiguous service territory should be considered. If still not enough customers, then open it to customers in another utilities' service territory.

Subsection 2: We are assuming that if a retail customer's average annual consumption of electricity increases (e.g. purchase of an electric car) then their ownership interest should also increase to reflect this change in usage.

### **Section 090: Bill Credit Rate**

Subsections 4: We appreciate the Proposed Rule's new provision of fixing the bill credit rate at the time of pre-certification. This change should help with giving consumers and developers the predictability they need to make investment decisions.

Subsection 5: We appreciate the Proposed Rule's change from reviewing a project's bill credit rate "at least annually" to "every other year", but our concern is that this change is not sufficient to give subscribers/owners a greater sense of predictability about their rates (and therefore their value proposition) remaining in place. We suggest replacing the language in this subsection with a five-year period of protection.

### **Sections 0150 and 0160: Project Pre-certification and Final certification**

We are concerned that there are no set timelines for the start of projects. Projects need to be implemented as soon as possible before project development investment dollars are moved elsewhere and before the Federal Investment Tax Credit is stepped down beginning in 2020.

## **Section 170: Low Income**

Subsections 2 and 3: We appreciate the much improved clarity provided in the Proposed Rules for what constitutes an acceptable low-income benefit method, as well as the helpful 5% and 5% formulation for a project and program expectation. This should help set a standard that is clear and reachable.

Subsection 5b: Suggest assign credits to the rental unit rather than the individual customer as long as the unit remains a low-income unit. This would be simpler than the customer taking the credits with them when they move.

Thank you for your work on drafting the rules and for making the stakeholder discussions so helpful.

Sincerely,

Mark Darienzo  
Co-Chair, Climate Jobs PDX