

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1452

In the Matter of)	
)	
PUBLIC UTILITY COMMISSION)	
OF OREGON)	OPENING COMMENTS OF
Investigation into Pilot Programs to)	ECUMENICAL MINISTRIES
Demonstrate the use and effectiveness of)	OF OREGON – OREGON
Volumetric Incentive Rates for Solar)	INTERFAITH POWER AND
Photovoltaic Energy Systems.)	LIGHT

Ecumenical Ministries of Oregon and its project, Oregon Interfaith Power and Light, thank the commission for the opportunity to participate in the formal comments on the UM 1452 Straw Proposal and the Proposed Administrative Rules for Solar Photovoltaic Programs. We write to identify key issues we believe must be addressed in order for the Solar Feed-in-Tariff program to be successful for nonprofit organizations. Nonprofits comprise an important constituency that, despite great enthusiasm for solar-PV, has for the most part been unable to make solar installation pencil-out under the current incentive structure. OIPL hopes that you will take these opinions into consideration in the rule and order making process and looks forward to continuing active participation in this public process.

OIPL History: OIPL represents a wide range of faith communities. Our constituents share a deep commitment to Stewardship of the Earth and awareness of the social injustice of Global Climate Disruption. Our vision is a rich, abundant life for all Creation rooted in renewable resources for a society moving into a post-fossil-fuel era. The principles guiding our vision are justice, equality, compassion and respect for the sacredness of Earth. In practical terms, Oregon Interfaith Power and Light has worked with over 500 congregations in Oregon to improve the energy efficiency of their buildings and member's homes. We work with congregations of all faiths and in all regions of the state.

In response to demand from congregations, OIPL began the Solar Congregations Program and, back in 2007, created a corporation, Solar Congregations Inc, for the purpose of helping congregations take the full benefit of available tax incentives for PV-solar installations through third party financing arrangements.

Unfortunately the Solar Congregations Program has been stymied both by the complexity of the models that allow non-profits to access the federal incentives and by difficulty in finding for-profit partners. Despite great interest and enthusiasm, our combined efforts have borne very little fruit. We have a backlog of interested congregations (over 60 just now, of which more than 25 have performed on-site solar assessments, checking available insolation, roof structure, inverter location, etc.). Most of the proposed systems have been in the 10 kW to 35 kW range and thus are too small to be attractive to larger investors, but too large for most congregations to pay the up-front costs on

their own. Overall, the current system of incentives has not been effective for the faith community. The feed-in-tariff is an opportunity to level the playing field and make solar installations a reality for congregations and other nonprofits such as schools, libraries, and other public buildings.

Public Education and Engagement: Solar installations on houses of worship and other public buildings are especially valuable in promoting public awareness and support for alternative energy. Such installations are in a sense “billboards” for solar, promoting a sense of public ownership and pride in all who frequent the facility. When a church installs panels on the roof and a meter in the lobby, hundreds of congregants take notice and start to think about the ways they use energy at work and at home. The same holds true for libraries and schools, town halls and county buildings. We believe that this public education and engagement is of enormous value in generating the political will to invest in conservation and the transition to renewable energy.

Oregon Interfaith Power and Light is eager to see widespread adoption of renewable energy and thus favors rules and orders for the solar pilot project that will lead to rapid, widespread, and visible installation of solar panels throughout Oregon, leading to an extensive expansion of solar installations after the pilot project is complete.

Specific Comments on UM 1452

Volumetric Incentive Rates:

It is imperative that the rules and order for the solar pilot program offer a simple path by which nonprofit organizations can reap the full measure of financial incentives designed to make installation of PV-solar affordable. The simplest solution is a feed-in-tariff system that offers a **higher VIR for those unable to access the federal incentives** such that over 15 years the payments are financially equivalent to the regular VIR plus the initial 30% federal tax credit. This solution was discussed during the four initial workshops held by the PUC and appeared in the written proposals during the informal process but does not appear in the final UM 1452 Straw Proposal. We request that this issue be taken up again at future rate workshops so that a workable solution might be developed.

We note that this is not a novel concept in developing workable implementation of the FIT model in the United States. AB 1190, the Advanced Renewable Energy Contracts Bill currently before the Indiana legislature, calls for two tracks: Track I for those able to access the federal subsidies, and Track II, with a higher VIR, for those not able to use the federal subsidies.

In setting all VIR rates, we ask that the PUC calculate installation costs at a level that will support our local solar industry with living wage jobs.

Deployment of Pilot Program Capacity:

OIPL fully supports the current plan to deploy installation capacity over four years. This time frame allows for public education and PUC adjustments to the program as needed, and will promote a stable solar industry.

Under the current straw proposal, most nonprofit installations would fall into the smaller end of the “medium” size category (greater than 10 kW but less than 100kW – Table 2) and thus be in direct competition for capacity with commercial installations. Given the public nature and special benefits

to society of nonprofit installations, OIPL recommends a **capacity carve-out at a higher VIR for nonprofit installations in the medium size range**, akin to the Indiana model Track II.

We also recommend **open enrollment for capacity reservations in this carve-out** such as is already provided for in the rules for residential installations under 10kW. Like homeowners, churches and many other nonprofits often do not operate with business-cycle efficiency.

We note that the current Straw Proposal UM 1452 reserves only 60% of the total capacity for “smaller,” contrary to legislative intent that 75% of the pilot capacity be reserved for “residential” systems. We refer to Governor Kulongoski’s 2008 Energy Plan, (http://governor.oregon.gov/Gov/pdf/climate_change_agenda_1008_final_3.pdf)

“The objective of Oregon’s pilot program is to determine if production payments make it more affordable for individuals and communities to invest in solar energy”

We believe that reserving 60% of the total capacity for residential and up to 15% of the total capacity for community projects (nonprofit) would be entirely consistent with the stated intent of the pilot project.

However, recognizing the needs of small commercial and the added cost to rate payers of deploying nonprofit systems, we suggest a compromise: **half of the allotment for the “medium” capacity (or 10% of the total allotment) should be initially reserved for nonprofits.** This translates into 2.5% of the total capacity (or 625 kW) each year over four years for a total of 2,500kW for the entire pilot. This carve-out would both limit rate-payer exposure to the higher VIR needed by nonprofits and provide a fair test of demand from this sector, allowing for about eighty 30kW solar-PV installations on schools, libraries, town halls, and houses of worship over four years.

As insurance that all capacity will be used, we further suggest that **any unused nonprofit capacity be folded back into general “medium” deployment for the following year.** We also note that, from a commercial installer’s perspective, this carve-out does not affect the current 20% capacity reservation for medium-size projects and thus preserves the intent to provide a meaningful test of the pilot for this size range.

We hope that you will take these opinions into consideration in the rule and order making process and look forward to continuing active participation in this public process. Thank you

Ecumenical Ministries of Oregon – Oregon Interfaith Power and Light (EMO-OIPL)

DATED this 11th day of January, 2010

/s/ *Jenny Holmes*
EMO Director of Environmental Ministries

CERTIFICATE OF SERVICE

I certify that I have caused to be served the foregoing “Opening Comments of Ecumenical Ministries of Oregon – Oregon Interfaith Power and Light” regarding Oregon PUC Docket No. UM 1452 by electronic mail and US mail to those parties who have not waived paper service on the attached service list.

Dated this 11th day of January, 2010.

/s/ Jenny Holmes
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