OPUC UM 1746 - SECTION 3 OF HB 2941 – COMMUNITY SOLAR PROGRAM DESIGN DOCKET
PROPOSAL FORM FOR WORKSHOP 1

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- **Submitter**: Oregon Department of Energy ("ODOE")

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- **Brief definition for Community Solar in Oregon:**

ODOE: The Department acknowledges that there are different definitions of community solar in different states. It also notes that there are many variations in the terms related to community solar such as solar gardens, shared solar, utility-owned residential solar, solar assist cooperatives, etc. The Department will limit its suggestion on the definition to the premise that there should be a distinction in terms between projects that allow subscribers to receive an economic benefit and those that do not.

- **Describe your Community Solar Program Design Proposal:** *Please incorporate all parties involved (including, at a minimum, utilities, subscribers, solar owner/developer), parties' roles/relationships, and how the program would operate among the parties (including, at a minimum, the flow of money, RECs, and energy between parties). How did you incorporate the statutory considerations in your design: (1) an individual ratepayer's access to a specific solar resource, (2) cost to subscribers, (3) cost to non-subscribers, (4) role of the utilities? How does your proposal balance resource value benefits, costs, and impacts to ratepayers?*

ODOE: No response

Visual depiction of your Community Solar Program Design Proposal: *Please illustrate the role of parties (including, at a minimum, utilities, subscribers, solar facility owner/developer) and the way in which various transactions between parties would operate (including, at a minimum, the flow of money, RECs, and energy between parties).*

ODOE: No response

- **Questions related to Community Solar Attributes and Statutory Considerations:**

1. **Ownership structure**: *Who will develop, own, and maintain the solar facility? Who will own the RECs and power? What is the utility's role in this ownership design?*

ODOE: No response

2. **System characteristics**: *Does your proposal include constraints to system characteristics, such as size, location, interconnection level, etc., on the community solar facility?*

ODOE: It is possible that community solar projects could be developed on a variety of properties under various interconnection standards. Given the variety of possibilities, design considerations for a community solar program should include the following:

- Should projects be connected on the customer side or utility side of a service?
- Do projects need to be net metered?
- Do projects need to be qualifying facilities?
- If net metered, are the current residential and commercial net metering caps adequate? Should the statutory net metering limit established in ORS 757.300(6) be revisited?
- Should the program be applied across investor and consumer owned utility service territories?

3. **Eligibility criteria:** *What criteria to determine customer eligibility (e.g customer class, location, size) are included and are there carve-outs for specific groups (e.g. low income, multi-family, renters)?*

ODOE: No response

4. **Length and terms of contracts**: *Describe each agreement between parties in your proposal, including the parties' commitments, term lengths, penalties (e.g. early termination), and agreement formation (e.g. RFP)?*

ODOE: No response

5. **Subscription price calculation:** *Is the subscription price based on a capacity product (kw) or an energy product (kwh) and how is the price determined? Provide a simplified example showing cost assumptions (e.g. capital, operational, and maintenance costs, program administration costs, costs related to data collection and modification to utility billing systems).*

ODOE: No response

6. **Bill credits calculation.** *How are bill credits determined and applied (e.g. retail rate, avoided resource cost rate, avoided power cost rate, future resource value of solar rate, etc.)? Provide a simplified example.*

ODOE: No response

7. **Minimizing Cost-Shifting:** *Break out the cost components that will be charged to subscribers. How does this allocation of cost components minimize costs to non-subscribers?*

ODOE: No response

8. **Risk assessment:** *Who bears the burden of risk in the following categories and how is this risk mitigated: (1) solar facility system performance, (2) subscription rate and fluctuations in under or over subscription, (3) Other risk categories.*

ODOE: No response

Other considerations:

Access to Financial Incentives

Financial incentives have traditionally been delineated by ownership and market segments such as residential, commercial or utility scale. Many of these delineations are established in statute but have been modified in the past. For example, HB 3672 (2011) expanded the residential energy tax credit to homeowners who host systems owned by a third party. If the existing financial incentives are to be leveraged by community solar projects, statutory changes may be necessary. If a new incentive is established, the PUC should determine if the incentive is meant to stand alone to make projects economically viable or be combined with existing incentives.

Competitive incentives may be difficult for community solar projects to utilize. If subscribers to a community solar project are to be established before a project is completed, then competitive incentives would require subscribers to "buy in" to an uncertain financial commitment. If subscribers are to be established after competitive incentives are awarded, the project may not be seen as readily developable under a competitive review.