BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1746

In the Matter of	)	
PUBLIC UTILITY COMMISSION OF OF OREGON,	))	COMMENTS OF THE OREGON DEPARTMENT ENERGY
	)	
Recommendations for Community Solar Program Design and Attributes (House Bill 2941, Section 3)	))))	

Introduction

The Oregon Department of Energy (Department) appreciates the opportunity to comment on the Public Utility Commission Staff's Draft Recommendations on Program Attributes and Characteristics. The Department provides clarifying comments on two sections of the framework as it relates to programs managed by the Department.

Contract terms

The Department provides these comments to clarify some of the questions raised during the Sept. 22, 2015, workshop concerning possible interactions between the Residential Energy Tax Credit (RETC) program and a community solar program under consideration by workshop participants.

Double Counting

Under ORS 316.116(2)(e), a RETC incentive is based on the installed output of a solar system. The incentive is capped at both a dollar amount per residence and as a percentage of the cost of the system, and is available only for new capacity and new equipment. Under OAR 330-070-0021(2)(k), used equipment is not eligible to receive a RETC, which would preclude individuals from claiming a RETC after a transfer or sale of a community solar share. In effect, this provision would prevent two parties from claiming a RETC for the same module of a community solar project.

Existing Contract Length Requirements

Neither RETC statute nor rules include requirements for a minimum contract term for homeowner installed systems. However, under ORS 469B.100(17), a residential property owner utilizing a leased third-party system must have a contract term of at least 10 years to be eligible for the RETC program. It is possible that a community solar project contract structure could function much in the same way as a leased third-party system. If so, contract length would be an issue for property owners seeking RETC incentives.

Cap on Third-party Systems

In general the RETC program is uncapped, however the third-party leased installations are limited to a total of $10 million per year in tax credits per Oregon Laws 2011, chapter 730, section 75. A similar cap could be applied to a community solar program.

<u>System Size</u>

System size limitations could be implemented through virtual net metering contracts. Conventional net metering agreements are currently limited to 100% of the annual load. Production beyond 100% at the end of the annual net metering term is currently donated. OAR 860-039-0060 (2) states**:** The customer-generator may not elect to receive a credit or payment for any unused credit accumulated at the conclusion of the annual billing cycle.

Additionally, in order to receive a RETC incentive, the installed output of a system cannot be greater than the energy load of a home, per OAR 330-070-0022(5)(b)(B). To date, this limit has not been a factor as ODOE has not received any applications for RETC incentives where the output would exceed the household's energy load.

Conclusion

The Department appreciates the opportunity to submit these comments on the design of a community solar program. We appreciate the leadership of the Public Utilities Commission, and look forward to further engagement with other stakeholders on these issues.

Respectfully submitted September 25, 2015.

Sincerely,

/s/ Julie Peacock

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