

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
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In the Matter of

Public Utility Commission of Oregon

Community Solar Program Implementation

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Oregon Citizens’ Utility Board’
Comments

I. INTRODUCTION

The Oregon Citizens’ Utility Board (CUB) files these comments in advance of the August 26th, 2021 Special Public Meeting on the Community Solar Program implementation. CUB is supportive of Staff’s recommendation to release Tier 2 capacity for Portland General Electric Company’s (“PGE”), and PacifiCorp’s community solar programs.

II. COMMENTS

In Staff’s Draft Proposal for Tier 2 of the Community Solar Program, Staff recommended that 50% of tier 2 for Pacific Power and Portland General Electric be reserved for residential customers. CUB is supportive of Staff recommendation to reserve more capacity for residential customers. Residential customers are the largest customer class in terms of customer count and revenue for both PacifiCorp and Portland General Electric. Despite of this fact, only ~6.5% of community solar capacity in Tier 1 has been subscribed by residential customers. CUB is supportive of this proposal because the program change will help guarantee greater customer diversity in tier 2 of the Community Solar program.

While net metering is an option for some residential customers, not all residential customers are able to take advantage of the program. Low-income customer often lack the capital necessary to invest in a home photovoltaic electricity system and to take advantage of net metering. Renters, people who live in multifamily building, or homeowners without suitable buildings for solar have limited options to produce clean energy. Presently, the Oregon Community Solar program is the only operational program for these customers to directly invest in renewable energy.

CUB is also supportive of increasing the low-income subscription discount to 40 percent. It is CUB's hope that increasing the value proposition associated with community solar, will help more low-income customers participate in the program. In response to the above changes to community solar program, Staff has proposed to increase the bill credit rate for all tier 2 projects. An escalating bill credit rate appears to be reasonable to meet the additional costs associated with the changes Staff is proposing.

III. CONCLUSION

It has been a challenge to get community solar operational in Oregon. Utilities, regulators, and energy economist view the resource value of solar (RVOS) in a different manner than customers. In the resource value of solar proceeding, utilities, stakeholders, and Commission Staff worked to develop a framework to express the quantifiable costs and benefits of bringing solar resources to the utility's system. Incremental solar generation provides avoided cost value to the utility for energy, capacity, transmission, and distribution. Under the RVOS framework, the value of solar resource is significantly less than the retail rate for electricity for Idaho Power, PacifiCorp, and Portland General Electric. Customers of the utility have a different viewpoint on

the value of solar. Customers view the rate credit associated with solar, as the fact that customers are producing their own electricity for their personal use rather buying the utility product.

CUB had hoped that the Community solar program could be compensated under the resource value of solar. Unfortunately, the resource value of solar is not high enough to build a successful community solar program in Oregon. Since the Community solar program has been mandated by the Oregon legislature, a subsidy was required to enable these projects to be build, and for them to provide them to customers. Because these initial tiers (tier 1 and tier 2) are limited in size and the cost is spread over 20 years, CUB believes this subsidy represents a reasonable cost to implement a successful community solar program. However, to expand the program beyond this initial tier will require a significant review of the program costs and may require a different compensation methodology.

The Community solar program was established to allow customers to procure renewable energy and to help low income customers reduce their energy burden. The changes the Staff are proposing for community solar will help ensure that the current community solar program is successful. Since the community solar was kickstarted in 2016 under SB 1547, new state energy programs have been established to help customers to procure renewable energy and to address energy burden faced by Oregonians. Implementing HB 2021 will further the goal of allowing customers to purchase renewable energy and implementing HB 2475 will allow us to address the energy burden on struggling Oregon households.

Dated this 25th day of August 2021.

Respectfully submitted,

/s/ Bob Jenks

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