



Oregon Public Utility Commission  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

June 18, 2021

RE: Docket No. UM 1930 – Community Solar Program Tier 2 program

Dear Chair Decker, Commissioner Tawney and Commissioner Thompson,

The Oregon Solar + Storage Industries Association (OSSIA) and the Project Managers (PMs) it represents appreciate the work of staff and the Program Administrator to consider improvements to the Community Solar Program (CSP) and you consider Tier 2 capacity for the program. OSSIA appreciates the workshop staff held and the other opportunities to weigh in on how to make the program succeed.

It is critical that Tier 2 capacity be released without further delay. General Capacity in both PGE and Pacific Power territory has been filled for six months and there are projects ready to advance, both on the waitlist and otherwise. Further delays will complicate project viability due to existing land use permits expiring and uncertainty around subscriber recruitment and financing. OSSIA disagrees with PGE that more information is needed before moving forward. At the June 4<sup>th</sup> workshop, most non-utility stakeholders agreed on the set of challenges the program is facing and discussed options to address those challenges.

OSSIA offers the following solutions to challenges the currently CSP faces:

**Offer a 2% escalator for projects that offer a 40% discount to low-income subscribers**

Increasing access to solar for low-income ratepayers is one of the central pieces of the CSP. Meeting the 10% low-income subscriber requirement continues to be a challenge for projects both in Oregon and around the country. Doubling the discount for low-income subscribers should help in the recruitment process. If a doubled discount is effective in helping projects meet their low-income targets, the program should then consider increasing the 10% requirement, but not at this time.

**Simplify the subscription process**

A simpler subscription process would make it easier for both low-income and residential subscribers to participate. A shorter contract, both in the length of the written contract (no more than two pages is ideal) and in the duration of the contract (two years would be ideal) would make the process less intimidating for potential residential and low-income subscribers. In addition, increased visibility of the program from PGE and Pacific Power would elevate subscriber confidence in the program. An easier way to subscribe on the CSP website would also be beneficial. Lastly, fewer points of contact for a single subscriber would make the process more streamlined and less confusing.

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### **Offer a 2% escalator for projects that have at least 40% residential subscriptions**

Residential subscribers cost two-three times more to recruit and maintain than commercial and public entity subscribers. In addition, financiers are less comfortable with residential subscribers, making it more challenging. An escalator for those projects that put in the effort and risk to have a substantial number of residential subscribers makes sense.

### **Offer a 2% escalator for all carve-out projects**

Carve-out projects face substantial hurdles, as is seen by low number of carve-out projects to date. It is important for community organizations to have the opportunity to put together a CSP project despite the increased difficulties community groups face in starting a project. Community projects should not only be successful in Portland, where projects can use Portland Clean Energy Fund grants. Community and small projects throughout the state should have the needed financial support to be successful.

### **Reduce Interconnection challenges for small projects**

An OSSIA residential and commercial solar installer member was approached by a community-based organization regarding a carve-out CSP project. The company was used to using the net metering (NEM) interconnection rules for a project of that size and was surprised and unprepared for the amount of extra work needed for the CSP interconnection queue. There is no technical reason a NEM project and a CSP project of the same size should have completely different interconnection processes. OSSIA believes that all projects under 2 MW should be allowed to interconnect as a NEM project would, and at a minimum, carve-out projects should certainly connect in this way. CSP projects already have additional costs that NEM do not have, such as property taxes, subscription acquisition and management costs, and program administration fees, making it reasonable that interconnection costs should be lower. In addition, PGE's fiber "requirement" provides benefits for non-CSP customers that CSP are paying a premium for, as opposed to less expensive solutions that provide the same level of communication.

### **Provide certainty for Project Managers**

It is telling that to date, very few companies that develop community solar projects nationwide have developed projects in Oregon. The low amount of capacity released, no clear guidance on additional program capacity, the low credit rate, and a challenging 10% low-income subscription requirement have made the program less viable than programs in other states. A published schedule of future capacity releases would provide much needed certainty, as projects take years to develop. Oregon could follow Colorado and require a percentage of IOU annual sales capacity to be devoted to the CSP. Project sizes could be increased to 5 MW, just as Colorado did, to allow for more economies of scale. Because there are external forces adversely impacting the program – a declining Investment Tax Credit, increasing steel prices, disrupted supply chains, a likely increase in interest rates – the more certainty project managers can have, the more likely a project is to succeed.

Lastly, OSSIA encourages the PA team and PUC staff and Commissioners to think boldly about how the CSP could be improved and taken to the next level. For example, CSP projects could provide additional resilience benefits to customers, if storage were added. A rate adder for storage on projects should be considered. As the power outages of the last year have shown, Oregon needs to do much more to increase our energy resiliency and the CSP could be an excellent opportunity to pilot resiliency measures on larger projects.

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OSSIA is enthusiastic about the next phase of the CSP program. Small changes to the program could make a big difference in the make-up of CSP subscribers, the subscription levels of low-income ratepayers, and the overall effectiveness of the CSP program to increase access to solar. We look forward to working with the PA team and PUC staff over the summer to fully vet improvements to the program.

Sincerely,

A handwritten signature in black ink that reads "Angela Crowley-Koch". The signature is fluid and cursive.

Angela Crowley-Koch  
Executive Director