



Portland General Electric Company
121 SW Salmon Street • 1WTC0306 • Portland, OR 97204
portlandgeneral.com

June 16, 2021

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

Re: UM 1930 Community Solar Implementation

Dear Filing Center:

PGE appreciates this opportunity to submit comments following the June 4 Community Solar workshop. While PGE does not administer or participate in the program, we are deeply engaged in its implementation, and we have an interest in ensuring an effective program and a great customer experience. PGE has observed the desire of many stakeholders to consider program changes before fully examining the underlying reasons for some of the program's challenges. PGE encourages Staff and stakeholders to consider the need for data and analysis to understand the challenges before moving immediately to design the next capacity tranche.

PGE is grounding these comments in our understanding of the founding vision for Community Solar in Oregon: to expand customer access. As CUB has commented, "[I]n passing Senate Bill ("SB") 1547, the Legislature intended to provide an additional option to obtain solar energy for ratepayers who, for whatever reasons, have not been able to take advantage of net-metering or voluntary green power programs."¹

In public discussions, Public Utility Commissioner comments have offered additional program drivers:

- Increase customer choice
- Incent local economic development
- Provide wealth creation opportunities for low-income residents
- Support producer diversity

These important policy objectives come with costs, and many have acknowledged that the Community Solar Program (CSP) is an expensive program. PGE appreciates the extensive

¹ Docket UM 1930, CUB's March 1 2018 Opening Comments

thought and inquiry on part of Staff and the Commission in grappling with this cost impact while implementing the direction of SB 1547.²

The program is now launched. PGE's standard project capacity is full and three projects are currently energized. PGE has supported this launch by integrating the program throughout our operations. We find ourselves at a juncture at which policy and rulemaking envisioned pause and reflection. As such PGE offers questions for Staff and stakeholder consideration, that could inform future next steps below.

- How do initial outcomes align with the program's original policy drivers?
- What are the barriers to low-income customer participation?
- What are the opportunities to go beyond the minimum 10% low-income energy allocation?
- What case studies are available for community-owned projects?
- What metrics should drive this assessment?
- What data can we review to inform the answers to these questions?
- This program was not intended to address all aspirations around equity or renewable markets. What is its appropriate role within the growing ecosystem of customer renewable options and tools to address energy burden?³

Before the Commission amends the program's design, potentially increasing its cost to all customers, we need to learn from current program participants, particularly around project development and subscriber recruitment. To facilitate these learnings, we suggest that data from project developers and program administration be made available to all stakeholders. This data should be quantitative, across all projects, where possible.

Key questions in evaluating program performance against policy drivers include:

- I. Expanded access: is the program providing options for ratepayers who have not been able to take advantage of Net Energy Metering or other voluntary renewable programs?

² For PGE's first 47 MW, the \$68 per MWh delta between CSP and current PURPA avoided cost solar pricing will result in an approximate 0.26% price increase for all customers, including low income. CSP: \$112/MWh. Current Sch 201 solar levelized pricing for 2022 COD, inflated to 2021 dollars: \$44/MWh. At an average reported capacity factor of 19%, 47 MW = 78,000 MWh. PGE estimates that average rates increase by 1% for every \$20,000,000 in O+M expense.

³ Oregon has two new significant and scalable tools for increased and equitable access to renewables.

- Governor Brown signed HB 2475 in May, enabling differential rate making according to energy burden and other inequities of affordability. This legislation enables bill savings to low-income customers via the utility rate structure, a significant new tool.
- The in-process communitywide clean energy program will bring 100% clean, on-system energy to all residential and small business customers within partnering local governments. All stakeholders are committed to offering this product at no cost to low-income households, a goal that HB 2475 will facilitate. This program is driven by the climate leadership of five local governments with 100% clean energy resolutions, but it is not limited to those communities. The five communities currently engaged represent 36% of all PGE residential customers, or 280,000 households. This is a scalable approach to community-sponsored renewables that benefit all households and in which all households can participate.

- Information on enrollment by subscription type was shared at the June 4 workshop. How does this compare with the projects' original targets?
- What do we know about subscriber demographics beyond subscription type?
- What was the original subscriber outreach plan, and has that shifted?
- Are there success stories for strategies in reaching customers who lack access to alternative programs? For minimizing customer acquisition costs?
- For market rate subscriptions, what assumptions form the basis for customer willingness to pay?⁴

II. Customer choice

- How does this program fit within current and emerging renewable energy opportunities for various customer classes?

III. Incentivizing local economic development

- What are the economic impacts of CSP projects to date (supply chain, workforce, etc.)?
- What are the demographic details of that economic activity?

IV. Provide wealth creation opportunities for low-income residents

- Bill impacts: potential, realized
- What barriers have been encountered in attracting and securing low-income subscribers?
- What feedback has been heard from both successful and potential low-income subscribers?
- Ownership opportunities: what models have come forward within Oregon's program? What do those projects have to say about how the program can better support their work?

V. Support producer diversity

- What is the profile of the producers currently certified (size, business location, for-profit vs. non-profit, demographic diversity, etc.)?
- Has the program attracted new market entrants?

VI. General program status

- Where have project costs deviated from expectations?

⁴ PGE's market research consistently returns the following residential customer priorities.

- Strong preference for and valuing of clean energy
- Broad willingness to pay for clean solutions across all our customers, although decreasing as incomes decrease
- Support for clean energy programs that are accessible to all customers, including low income
- Resource location continues to rank relatively lower in a list of considerations
- Increasing concerns around energy resiliency

- How does project cost allocation vary between projects for the seven buckets⁵ that projects are asked to itemize for certification?
- What information is known on customer perspectives and customer demand for this program?

The information requested above is not visible to the utilities. Other stakeholders are likely in the same position. During an October 2019 Commission discussion, Chair Decker pointed out that the Commission is adopting a new function. It is not only assuming its traditional decision-making function but is assuming a program implementation function as well. The Commission is put in a challenging position with its role as policy and program creator, program implementor, and regulator. PGE asks that while taking on its regulatory oversight role, the Commission base any changes to the existing program on a record supported by data that is both robust and transparent to all stakeholders.

PGE supports and hopes to partner on the policy objectives that drove the legislative adoption of CSP. They are challenging and complex. It is important that the benefits of this ratepayer investment flow to the intended communities, particularly low-income communities, and PGE asks that the Commission take the time needed to allow for meaningful data collection, analysis, and collaborative solution crafting.

Sincerely,

/s/ Robert Macfarlane

Robert Macfarlane
Manager, Pricing and Tariffs

⁵ The seven buckets are equipment, EPC, development costs, customer acquisition, customer management, O+M, and other.