



9 Sept 2019

To: Oregon Public Utility Commission and Staff

From: Fleet Development

Subj: UM 1930 Input – Low Income Subscriber Provisions

Thank you for the opportunity to provide comments to the UM 1930 Docket as we finalize the Oregon Community Solar Program (CSP) rules and regulations.

I represent Fleet Development, a mission-driven developer of rooftop and community solar projects that serve low/moderate-income (LMI) tenants in rent-restricted, federally subsidized multifamily housing in IOU and rural electric cooperative districts.

Oregon Community Solar will likely be our best path to connect LMI tenants with renewable energy. The key to this new, experimental Program's success will be flexible rules that allow multiple approaches to address known obstacles to low-income subscriber access.

Insufficiently flexible program rules may result in little to no participation by disadvantaged subscribers. **To maximize Oregon CSP's effectiveness for LMI residents, we recommend amendment of the proposals regarding mandated financial benefit for LMI subscribers and subscription mobility.**

#### **Mandated financial benefit for LMI subscribers**

Rules created with insufficient flexibility or misalignment with other regulations can unintentionally cause ineffective programs. An example of such unintended consequences occurred in California's Solar On Multifamily Affordable Housing Act (SOMAH), which sought broad LMI participation. Well-intentioned legislative language required financial benefit from each solar development to be passed to tenants, but this effectively eliminated 24% of the targeted multifamily buildings from the program. Misalignment with multifamily housing tenant energy subsidy policies led to the program blocking LMI tenant access for nearly a year. Addressing this issue ultimately required a HUD exemption to partially restore LMI tenant participation.

This example directly relates to Oregon CSP rule proposals requiring financial benefit for LMI subscribers. Mandating this proposal will reduce the number of available low-income multifamily housing resident subscribers and would place a counterproductive time-horizon on the benefit. Solar projects don't typically deliver substantial financial subscriber benefit until project debt is paid off. It is unlikely that an Oregon CSP will be economically feasible if

financial benefits must be delivered in the first year, unless major subsidies or grants are provided from other sources. A better approach would be to allow projects focused on LMI residents to deliver benefits over time, based on the economic realities of the project and population they serve. The primary benefit community solar can address immediately, enshrined by the 10% LMI carve-out, is **access** to renewable energy. The legislation is clear when it entreats the commission to, *“determine a methodology by which 10 percent..... of the community solar projects....will be made **available** for use by LMI residential customers of electricity.”* Discounts can be phased in as projects become more economically viable.

### **Mobile Subscriptions**

The proposed requirement of subscription “mobility” would add complexity and limit possible project types but provides little additional benefit. The draft rules in AR-603 state that, *“for the purposes of this program, a subscriber will be defined at the site address level.”* This makes sense because this program is tracked, billed, and credited through utility meter accounts, which are not mobile. Requiring all community solar project subscriptions to be mobile will increase costs (subscriber acquisition and management is typically the largest non-energy operating cost in community solar projects) and will exclude numerous projects that would function best with location-based subscriptions, and may prevent the Oregon CSP from reaching subscription goals. To allow for experimentation in this new program, **we recommend allowing projects to offer mobile subscriptions as an attribute, and enabling others to offer location-based subscriptions.**

Low-income subscriber-focused projects must be lean. LMI residents cannot pay a premium. Fleet Development’s 100%-LMI CSP projects have the two lowest interconnection cost estimates, and yet neither would be financially feasible under the proposed rules. Oregon’s initial CSP rules should encourage experimentation. Unintentionally restrictive or misaligned rules will exclude LMI-focused projects that may be the Oregon CSP’s best opportunity to deliver the equity promise of community solar.

Sincerely,



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