

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1930**

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| In the Matter of |) | |
| |) | |
| Oregon Public Utility Commission Staff |) | VIRIDIAN MANAGEMENT, INC |
| |) | COMMENTS |
| UM 1930 Reply Comments-Interim Alternative |) | |
| Bill Credit Mechanism. |) | |
| _____ |) | |

Viridian Management, Inc thanks the OPUC Staff for the conscientious effort to research, analyze and describe the possible interim alternative bill credit mechanisms that could lead to a successful community solar program. As an affordable housing rehabilitator, owner, and manager for both USDA Rural Development and HUD properties we have a significant interest in maintaining the “affordable” in affordable housing and we hope that community solar can provide that for our low-income properties.

Building costs related to supplies, materials, labor costs and utilities for our properties rise incessantly year after year. All of these inputs are dependent on economic factors out of our control and their net yearly increases lead eventually to rent increases to keep the properties well-maintained and solvent. Community Solar’s 20-year PPA could give us the first opportunity to influence one cost factor and slow or stop its increase which directly correlates to slowed rent increases. Since our properties have “renters” vice single-family “owners”, we have not been able to access renewable energy net metering programs via rooftop systems previously. Considering that we operate 104-multi-family complexes, the economies of scale presented by Community Solar are very appealing. Therefore, the success of Community Solar is critical to our industry.

Viridian Management concurs with the majority of the statements provided by the various renewable energy coalitions that have responded to the request for input. To be more specific,



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we agree that best interim solution will be simple, timely, accessible and that the rate be set to encourage rather than discourage the growth of community solar in the near term.

We think its important to remember that the history of Oregon's energy infrastructure is replete with examples of federal and state assistance to nascent utility energy infrastructure projects, even prior to a robust and efficient market being developed. Whether it is dams and transmission lines financed by rate payers or discounted state and federal loans and grants or extremely low-cost financing of Oregon's extensive rural electrical cooperative system, every power system has received an initial helping hand from the existing market to get started. Renewable energy systems are no different and yet they also represent the desire of the consumer and the strategic resilience and strengthening of our energy infrastructure.

RVOS and cost shifting:

As a developer of community solar projects for our low-income housing, we know that the RVOS rates proposed by the utilities are not sufficient to allow us to initiate and sustain a project. While we do not pretend to be experts in rate setting, we do know what we and our tenants are willing to pay for electricity is the retail rate. Indeed, as stated by Pacificorp, over 200,000 customers support paying more for renewable energy. We feel that this indicates that the value of solar to **Oregon consumers** is much higher than it is from the utilities' perspective. A bridging rate is necessary to provide the successful establishment of community solar until mandated increases in Oregon's Renewable Portfolio Standards drive the value of renewable energy higher for the utilities and align the perspectives. By establishing viable community solar projects now with fixed costs and rates over 20-years, we can hedge against cost shifting in so much as these projects by the end of their life may be the cheapest forms of energy available. Additionally, an acceptable bill credit rate, will allow for timely introduction of energy infrastructure that can save millions of dollars through federal tax credit equity.

Finally, we calculate that cost shifting to other rate payers could be substantially reduced if the utilities joined forces and actively participated in the community solar programs. By doing this, they would reap some of the rewards and cost savings that a renewable energy grid can produce once its financial debt instruments are paid off. A cogent example of this approach is exemplified by the approach XCEL and Duke Energy have taken with regard to their multi-state community solar programs.

Simplicity:

An interim bill credit rate based off the retail rate is simple and easily understood by developers, financiers and consumers alike. We do not recommend instituting artificial limits below the already established community solar program tiers or locality additions/deductions. Setting artificial interim rate tranche limits could result in slower developing 'grassroots' community solar projects being forced into a less financially viable position. Furthermore, the fundamental nature of community solar severs the geographic connection between the PV panel and the consumer. Any sizeable project will likely include some "physically local" as well as non-local subscribers. Defining the limits of locality could lead to endless deliberations. If employed it could cause a single project to have multiple rates based off whether a subscriber falls in or out

of an arbitrary line defined by a street address. Monitoring both locality and artificial limits will lead to increased program management costs that will strip viability from the overall program.

Low-income subscribers:

While we agree with Idaho Power's estimate of the number of low-income subscribers in Eastern Oregon, we have found that our low-income tenants in Eastern Oregon (and elsewhere) are actually highly supportive of renewable energy, but they have never had access to it (whether or not they receive a tangible discount). Given the chance, they would be willing subscribers. Within the context of the cost shifting argument, it is clear that our low-income subscribers, could actually receive a savings rather than a higher rate with an interim retail bill credit rate from their solar subscription.

This legislation was passed in 2016 and it is time to seek adequate solutions that enable progress rather than the pursuit of perfection that stalls the program. In conclusion, we are supportive of a simple, timely and efficient establishment of an effective bill credit rate that allows us to move forward with financing and construction of our low-income community solar projects that will lower the cost of affordable housing in Oregon, lower the amount of taxpayer paid low-income energy subsidies, and reduce the environmental impact of our properties.

Respectfully submitted,

Ryan Sheehy
Viridian Management
Ryan.sheehy@viridianmgt.com
(541)-263-7684