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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

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In the Matter of Oregon Public Utility Commission Staff Report on alternate bill credit rate considerations for Community Solar.	)))))))	VIRIDIAN MANAGEMENT, INC COMMENTS

Viridian Management, Inc is a full service affordable housing management company that specializes in the rehabilitation, management and maintenance of subsidized multi-family housing throughout the Pacific Northwest. These properties are on fixed budgets dictated by preset management fees and rents and have very tight fiscal margins. Every property we have rehabilitated incorporates weatherization and efficiency as a primary goal. As a company we have great interest in connecting renewable energy with our low-income tenants to both reduce cost and the environmental impact of our properties. Despite our efforts, we have not found a practical way to retrofit rooftop solar into existing subsidized housing. We see community solar as the only way we can proceed and we are in pre-development of our own low-income community solar project. Therefore, we look at the community solar issue from three unique perspectives: project developer, subscriber and low-income facilitator.

Subscriber:

Because we operate properties that are situated in every Investor Owned Utility (IOU) and most of the Co-Op service territories, we have a good idea of what energy is worth and what we are willing to pay for it. The levelized average is near $.12 / kWh. We use the term "levelized" to incorporate connection fees. These fees have a significant impact for low-income tenants. For example, Oregon Trail Electric Co-Op charges only $.075 / kWh but the connection fee is $29.50 per month. For a typical low-income tenant this results in an actual cost of energy levelized at $.125 / kWh. Our properties and tenants are asked to value energy at approximately $.11-.12 / kWh by the utilities. We would value solar energy produced at our project the same.

Developer:

On the developer side of the issue, there are difficulties in reducing the cost of the solar project under the current program's artificial limitations. In order to construct a solar project that could even begin to pencil out at the initial utility sponsored RVOS of $.052 / kWh, our project's scale would need to be enormous. We would also need to have access to the same tools that the IOU's have such as low cost Federal financing resources, voluntary premium rates, service territory monopolies and the ability to pass the costs on to ratepayers, in order to be competitive. We have none of those options, particularly with a low-income project. The adopted rules place significant constraints to building an economically feasible project such as: project size, total program size, requirement for 10% of production to benefit low-income, requirement to fund separate program administrator and a low-income facilitator staffs, limits to subscriber and project locations, how many megawatts can be subscribed by one entity and timing (federal tax credit imminent expiration will increase cost of solar project by 50%). Whether or not these sorts of limitations have any significant holistic value to the program, as a developer it is very clear that the friction they present raises the cost of the project in a non-competitive manner-unless the RVOS is equitable.

Recommendation:

Adopt an alternate bill credit rate that reflects the value of renewable energy to the consumer/citizen and that takes into consideration the significant development obstacles embedded within the community solar program that prevent a solar project from being competitive. The alternate bill credit rate should be near to the retail rate, since that rate accurately reflects what the consumer is willing to pay for energy.

The alternate bill credit rate may be considered an interim rate with a sundown timeline established after an equitable RVOS discussion concludes or until Oregon's renewable energy portfolio standard (RPS) allocation jumps are significant enough to increase the value of solar to the point where it realistically reflects its environmental value. The alternate rate should be set quickly, so that the rapidly disappearing federal tax credit dollars associated with renewable energy can be harvested by Oregon and its citizens in the form of skilled jobs and boosts to local economies.

Respectfully submitted,

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