

# UM 1746 Workshop 1

Implementation of HB 2941, Section 3  
Community Solar Program Design  
*August 11, 2015*

**Reminder – Please add your name to the sign in sheet.**

# 1. Welcome & Introductions

## *Reminders*

- Welcome and thank you for your participation.
- Reminders:
  - Sign In: Please add your name & contact information to the sign-in sheet.
  - Phone Participants Sign in – please email your name and contact information to [ruchi.sadhir@state.or.us](mailto:ruchi.sadhir@state.or.us) to “sign-in” electronically.
  - Microphone Use – please speak into the microphone (5 inches away) for the benefit of phone participants.
  - Notice List – Sign up for the UM 1746 notice list by emailing a request to [puc.hearings@state.or.us](mailto:puc.hearings@state.or.us) (include UM 1746 in subject line).

# Agenda

| Time           | Who   | What  |
|----------------|---|---|
| 1:00 – 1:15 PM | <ul style="list-style-type: none"> <li>- Commissioners</li> <li>- Staff</li> <li>- All interested Stakeholders</li> </ul> | <ul style="list-style-type: none"> <li>- Welcome, reminders, agenda review, and introductions</li> <li>• <u>Sign-in</u>: Please sign the sign-in sheet.</li> <li>• <u>Service List</u>: Email your name, affiliation, and contact information to <a href="mailto:PUC.hearings@state.or.us">PUC.hearings@state.or.us</a> with “UM 1746” in the subject line.</li> </ul>  |
| 1:15 – 1:30 PM | <ul style="list-style-type: none"> <li>- Commissioners</li> <li>- Staff</li> <li>- All interested Stakeholders</li> </ul> | <ul style="list-style-type: none"> <li>- Review docket process and timeline (see separate handout)</li> </ul>   |
| 1:30 – 3:00 PM | <ul style="list-style-type: none"> <li>- Commissioners</li> <li>- Staff</li> <li>- All interested Stakeholders</li> </ul> | <ul style="list-style-type: none"> <li>- Overview of Submitted Proposals/Comments (not to exceed 10 minutes), along with Q/A to clarify proposals/comments:               <ul style="list-style-type: none"> <li>• PacifiCorp</li> <li>• CUB</li> <li>• PGE</li> <li>• Joint NGOs: NWSEED, Oregon SEIA, RNW, Environment Oregon, Portland Bureau of Planning &amp; Sustainability, Oregonians for Renewable Energy Progress, and NWECC (including NWECC Supplemental Comments).</li> <li>• NIPPC</li> <li>• ODOE</li> <li>• Vote Solar</li> </ul> </li> </ul> |
| 3:00-3:15 PM   | BREAK   |   |
| 3:15 – 5:00 PM | <ul style="list-style-type: none"> <li>- Staff</li> <li>- All interested Stakeholders</li> </ul>                          | <ul style="list-style-type: none"> <li>- Identify common attributes in proposals</li> <li>- Discuss pros/cons of proposals</li> </ul>   |

# Revised Docket Schedule

- Friday, August 7, COB: **Interested parties submit Proposals** for community solar program design in advance of Workshop 1.
- Tuesday, August 11, 1PM – 5PM: **Workshop 1** – Discuss program design proposals submitted by parties, provide clarifications about program design proposals, identify common attributes, and discuss pros/cons of proposals.
- Friday, August 14: **Staff email** to follow up on workshop 1 and provide direction for written public comment.
- Tuesday, September 1, COB: **Written Public Comment** due on program design proposals.
- ~~Friday, September 11~~ Friday, September 18: **Staff email** to provide materials for Workshop 2, including Staff draft recommendation for program design.
- ~~Wednesday, September 16~~ Wed, September 23: **Workshop 2** – discuss Staff draft recommendation for community solar program design (emailed to stakeholders in advance on Friday, Sept 18).
- ~~Friday, September 18, COB~~ Friday, September 25: **Written Public Comment** due on Staff draft recommendation for community solar program design.
- ~~Tuesday, October 6, 9:30AM~~ Friday, October 16: **Regular-Special Public Meeting with Commissioners** – staff public meeting memo will provide Staff’s recommendation for Commission approval. Stakeholders will have the opportunity to provide public comment at the meeting.
- Friday, October 30 – **Submit Community Solar program design recommendation to the Legislature**. Statutory deadline is Sunday, Nov 1, 2015.

# Objective

*Commission must hold a public proceeding with public comments and recommend a community solar program design or a set of preferred attributes that best balances the resource value benefits, costs, and impacts to ratepayers to the interim committees of the Legislative Assembly related to energy and business on or before November 1, 2015.*

# Attributes of Community Solar Programs

- **Ownership structure**
- **System characteristics**
- **Eligibility criteria**
- **Length and terms of contracts**
- **Subscription price calculation**
- **Bill credits calculation**
- **Minimizing Cost-Shifting**
- **Risk assessment**

# Pros/Cons of Attributes.

- Commission considerations:
  - Individual ratepayer access to a specific solar resource
  - Costs to community solar program subscribers and non-subscribers
  - The role of utilities
  - Any other reasonable consideration related to community solar program design
    - Feasibility with current policies/market?
    - System operational and reliability?

# Common Attributes? *System Constraints.*

- **System Location**
  - Within utility service territory
  - Within Oregon
- **System size**
  - 2MW maximum
  - None defined – Allow flexibility

# Common Attributes? *Definition.*

- Similarities
  - Allow customers opportunity to share in the costs and benefits of solar facilities from Oregon sited solar projects transacted through their utility bill.
  - Some discussion around economic benefits, such as, bill credit.
    - For purposes of this docket (and perhaps not an expansive definition of community solar), generation agreement that there should be some economic benefit
- Differences – in next level of attributes that define how to design the program, e.g.:
  - Ownership
  - Location
  - Administration

## Common Attributes? *Ownership.*

- **Flexible** – utility or third party developer or municipality, several options
- **Utility owned** – no one solely for utility owned but flexible allow the option
- **Non-utility owned** – ESS or Site Host/Subscriber Organization
- **REC ownership** – Retired on behalf of participants vs negotiated (NIPPC)

# Common Attributes? *Eligibility/Limitations.*

- Customer type
  - Residential only
  - Residential and small commercial
  - Residential, Small Commercial Standard, Small Commercial Irrigation, Small Commercial Drainage
  - Any, Diversity of types and groups
- Special carve outs
  - 10% low income
  - 20% low income
  - None defined
  - Concern with carve outs
  - Maximize the benefit for low and moderate income customers
- Subscription sizing
  - Not to exceed average annual load
  - Up to 90% avg annual load
  - Min of 10 customers, max 25 kW pp, at least 50% capacity subscribed

# Common Attributes? *Contract Terms.*

- **Length**
  - Options, 2,5,7,10 yr
  - 20 year, life of system
  - Between project and customer, standards could be useful
- **Termination**
  - Penalty for early termination
  - Transfer of subscription within service territory

# Common Attributes? *Subscription Pricing*

- **How calculated?**
  - Solar resource cost plus cost of administering program
  - Price set by negotiations with solar provider
- **Design**
  - Energy or capacity
  - Capacity
  - Separate costs from value or combined into one netted rate?
- **Other**
  - OPUC does not review the cost, market

# Common Attributes? *Bill Credits.*

- **How calculated? Energy x rate – general agreement**
  - **Rate**
    - Retail rate until RVOS determined
    - Determined by Commission
    - Resource Value of Solar Rate (TBD)
  - **Energy**
    - Energy estimated, not proportion of actual output
    - Proportional share of actual system output

## Common Attributes? *Minimize Cost-Shift.*

- Some cost-shift should be expected and benefits of solar and increased access to solar make this cost-shift worthwhile
- Customers pay provider directly, no shift to non participants
- If credits are utility avoided costs, no shifting

## Common Attributes? *Risk.*

- Borne by participating customers
- Unsubscribed portion attributed to all customers
- Performance guarantees in contracting limit risks
- Determined by customer/solar provider in contracting
- Developer and participant bear risks

## 6. Next Steps

- Comments
- Next workshop