



Docket No. UM 1930 – Community Solar Program

May 21, 2025

Staff Draft Proposal for Expansion of Carveout Capacity and Request for Comment

This document describes Staff’s draft proposal for a focused expansion of up to 50 MW of additional carve-out capacity in the Community Solar Program (CSP or Program). Staff’s proposal is limited to carve-out capacity intended to provide near-term certainty for eligible projects already in development.

Staff seeks written comments on this draft proposal by July 9, 2025. Please email your comments to puc.filingcenter@puc.oregon.gov. Please see the [procedural schedule](#) published to Docket No. UM 1930.

Background

CSP officially launched in 2020 with a stated focus on:

- Establishing equitable access to solar generation benefits and incentives,
- Focusing the benefits of participation on the most energy-burdened customers,
- Facilitating access to available projects,
- Promoting residential participation and benefits, and
- Achieving goals at the lowest impact to ratepayers.¹

To date, the Commission has allocated 160 MW of CSP capacity to the program across utilities, reserving twenty five percent for small and community-based “carve-out” projects. See Section 1.4 of the CSP [Program Implementation Manual](#) for carve-out project eligibility requirements. The purpose of the carve-out is to promote community-driven and small projects, including those with significant low-income residential participation.

On March 20, 2025, Governor Kotek communicated priorities for the PUC emphasizing the PUC’s HB 2475 directives and the importance of focusing ratepayer-funded energy resource programs, like CSP, on addressing differential energy burdens and driving benefits to communities.

The CSP carve-out capacity for new projects has been decreasing due to growing interest by community-led organizations. Staff’s near-term priority is to create a path for communities developing new carve-out projects, as we see this meeting the Governor’s expectations

¹ See Docket No. UM 1930, Commission Order No. 22-007, January 11, 2022, Appendix A, p. 3.

because CSP carve-out projects have a much higher threshold on low-income customer participation and they better leverage outside funding like Solar for All or funding from PCEF. Accordingly, Staff seeks to advance on an expedited timeline the expansion of the carve-out capacity to provide an effective runway for these types of projects.

Pipeline of Existing Projects

Staff has been made aware of a potential pipeline of at least twenty carve-out-eligible CSP projects in development. The aggregate capacity of the project pipeline identified is greater than remaining unallocated carve-out capacity in the Program. As a result, without the addition of carve-out capacity, Staff expects many of CSP eligible carve-out projects in development may be at risk.

Some of the projects seeking CSP carve-out capacity that Staff has identified have already secured necessary funding from the Portland Clean Energy Community Benefits Fund (PCEF). The remaining projects intend to either secure PCEF funding in 2025 or 2026, or Federal Solar for All grant funding awarded to the Oregon Department of Energy and sub-awardee Energy Trust of Oregon.

Staff finds that PCEF and Solar for All funding aligns with the Program’s intent for carve-out projects. The Solar for All grant requires, among other things, at least fifty percent of each project’s capacity to be reserved for low-income residential subscribers. While Oregon’s Solar for All grant award was announced in April 2024, funding is not expected to become available to projects until the second half of 2025. PCEF funding, which is limited to nonprofit organizations and their projects in the Portland metro area, also requires significant low-income participation. Unlike the Solar for All grant, PCEF has an annual funding cycle that limits the number of CSP projects that could receive funding each year.

Table 1 summarizes three streams of carve-out-eligible projects that influence the scope of Staff’s proposed expansion. Staff understands the projects identified have secured or could likely secure funding from PCEF or Solar for All programs in 2025 or 2026.

Table 1. Staff-identified Pipeline of Carve-out Eligible Projects in Development

Lead Project Manager Entity	Number of Projects in Development	Approximate Total Capacity (MW-AC)
Bonneville Environmental Foundation	11	13.8
Farmers Conservation Alliance	5	12.0
Oregon Clean Power Cooperative	5	8.5

Ten projects led by Bonneville Environmental Foundation (BEF), which include nonprofit community-partners, are located in the Portland metro area in both Portland General Electric (PGE) and Pacific Power (PAC) service areas. BEF has indicated the projects have already secured PCEF funding or intend to secure PCEF or Solar for All funding in 2025 and in 2026. BEF

is also the lead Project Manager (PM) for one additional project in PAC service area in partnership with Farmers Conservation Alliance (FCA) and the Klamath Irrigation District.

Projects led by FCA, which include rural irrigation district partners, are located in PAC service area. FCA has indicated at least four of the five projects could secure Solar for All funding.

Projects led by Oregon Clean Power Co-Op (OCPC), which include local government, university, and community partners, are located in and near rural communities in PAC service area. OCPC intends to seek Solar for All funding for its projects.

Adding Carve-out Capacity

Staff proposes adding 30 MW of additional carve-out capacity in PAC and 20 MW in PGE service territories for a total 50 MW. This proposal takes into consideration additional capacity needed for the identified project streams as well as remaining carve-out capacity in the Program. Table 2 summarizes this need and remaining carve-out capacity by participating utility service area.

Table 2. Capacity Availability, Demand and Deficit by Utility Service Area

	Current Unallocated Carve-out Capacity (MW-AC)	Capacity Demand (Project Pipelines)	Capacity Deficit
PAC	5.88	33.1	27.22
PGE	11.32	1.2	0
Total	17.2	34.3	27.22

There is currently only 5.88 MW of remaining unallocated carve-out capacity in PAC service area. When the remaining 5.88 MW of unallocated capacity is Pre-certified, Staff estimates there could be over 27 MW of additional carve-out-eligible projects in development without an opportunity to participate in CSP.

Staff has currently identified one developing project (1.2MW) in PGE service area but understands that additional carve-out-eligible projects may be developed in the near-term. While there is currently 11 MW of carve-out capacity available in PGE, Staff’s proposal to add 20 MW of carve-out capacity in PGE service area allows for a reasonable pipeline of projects to develop. Should demand for additional capacity not materialize, Staff may consider recommending the Commission reallocate some of this capacity to PAC.

Staff estimates adding 50 MW of carve out capacity will result in approximately \$75 Million in additional ratepayer impact over the life of the Program, which includes all projects operating for a period of twenty years. This estimate is based on a bill credit rate consistent with current Tier 2 capacity.

Staff notes that adding CSP capacity where there is demand accelerates the timeline for the Program to achieve 160 MW of capacity operating and billing. The proposal enables projects

already in development to come online, and for the Program to achieve and likely exceed 160 MW of operational capacity.

As part of the proposed August Public Meeting Memo, Staff will more fully explore the administrative, legal and financial impacts of expanding the CSP's carve-out capacity. This will include discussion of past Commission context on capacity release and bill credits and specifics related to proposal implementation.

Refining Eligibility for Carve-out Capacity

In addition to proposing expanded carve-out capacity, Staff seeks comments from stakeholders on refining CSP project eligibility for remaining unallocated and new carve-out capacity. Specifically, in 2022 the Commission approved broadening eligibility for carve-out capacity, which at that time was understood to be limiting opportunities and flexibility for PMs and communities to develop new projects. The Commission approved four eligibility options, with projects required to meet one. Section 1.4 of the CSP Program Implementation Manual describes the options, summarized here:

1. Fifty percent of project capacity is reserved for low-income participants;
2. The project is sized less than or equal to 360 kW-AC and involves a Federally recognized tribe, public entity, or non-profit organization that plays a central role in identifying and securing the site, and that leads outreach to subscribe at least fifty percent of project capacity;
3. The project involves a Federally recognized tribe, public entity, or non-profit organization that leads outreach efforts to subscribe underserved community members to at least fifty percent of project capacity; or
4. The PM is either a public entity, non-profit entity, or a renewable energy cooperative (REC).

Importantly, these four options are intended to ensure that carve-out projects are either primarily focused on serving energy burdened utility customers or include community control or leadership. Projects with fifty percent of capacity subscribed to low-income participants are primarily viable when PMs secure grant funding prioritizing low-income benefits. Staff understands that this carve-out eligibility requirement aligns well with PCEF and Solar for All grant programs. Projects may also qualify for carve-out capacity by meeting community leadership and control requirements as defined through the roles of specific entities and related capacity metrics. Staff continues to find these options appropriate.

However, Staff has identified a need to more clearly differentiate projects that involve community control and leadership from projects where a public or non-profit partner or renewable energy cooperative is involved for administrative purposes only.² Staff has concerns about RECs' connection to communities and accordingly seeks comments on removing RECs

² See Docket No. UM 1930, Order No. 22-007, January 11, 2022.

from the list of PM entities that, alone, constitute eligibility for carve-out capacity (fourth option above). Notably, this does not mean that RECs would no longer be allowed to participate in CSP as PMs. As PMs, RECs would need to meet one of the other three eligibility requirements to develop carve-out projects. Staff thinks this would not prevent RECs as PMs where the project includes community-level control or leadership. Staff also understands this would not constrain RECs as PMs where the project would subscribe at least fifty percent of capacity to low-income participants.

Finally, expanding the overall CSP capacity beyond the narrow scope of the carve-out capacity will require a process to consider program changes that balance costs and drive benefits in line with Staff's stated decision-making principles and Commission goals. Therefore, Staff focuses its near-term proposal on supporting a reasonable pipeline of carve-out projects until the time that Staff conducts a full investigation into expansion of the CSP program.

Staff appreciates stakeholder review of this proposal and looks forward to learning more in the process.

How to Submit Comments

Please email comments on this draft proposal to puc.filingcenter@puc.oregon.gov by July 9, 2025. Please indicate Docket No. UM 1930 in your subject line.

Staff Contact

Joe Abraham, joseph.abraham@puc.oregon.gov, 503-428-0699.