

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 7, 2017**

REGULAR X CONSENT EFFECTIVE DATE November 7, 2017

DATE: October 31, 2017

TO: Public Utility Commission

FROM: Nolan Moser

THROUGH: Jason Eisdorfer and JP Batmale

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. AR 603)
Report to the Commission on the status of Community Solar Program
Development and Recommendations for Workshop Scoping and
Docketing.

STAFF RECOMMENDATION:

Approve Staff's request to continue to advance Community Solar implementation through Docket No. AR 603, periodically bringing actionable implementation recommendations for the Commission for direction as needed through public meeting memos, prior to the hiring of a third-party Community Solar program administrator.

DISCUSSION:

Issue

Whether Staff and Stakeholders can continue to advance Community Solar implementation through Docket No. AR 603 and periodically bring actionable Community Solar implementation recommendations for the Commission for direction.

Applicable Law

On June 29, 2017, the Commission issued Order No. 17-232, adopting Community Solar Program Rules OAR 860-088-0005 through 860-088-0190. These rules outline Oregon's Community Solar Program authorized by Section 22 of Senate Bill 1547, passed by the 2016 Oregon legislature. Community Solar programming will allow individuals and entities to participate in the purchase of and development of solar energy projects that are not co-located at their properties or residences.

Oregon's Community Solar rules authorize the issuance of an RFP to hire a third-party "Program Administrator," an entity responsible for a considerable portion of the implementation responsibilities associated with the rules.¹ These rules also describe a number of other important implementation tasks that must be completed before the Community Solar Program (Program) may launch.

On September 28, 2017 the Commission issued order 17-372, adopting Staff's recommendation to commence a stakeholder process to identify and scope Community Solar Program implementation actions that can be taken by Staff and stakeholders concurrently with the issuance of a Request for Proposals (RFP) for a Community Solar third-party Program Administrator.

Analysis

The Commission hosted a Community Solar workshop on October 19, 2017, in Salem with over 30 attendees. The workshop presented two goals to stakeholders. The first goal was the identification of a scope for future stakeholder engagement efforts in the absence of a third-party administrator. The second goal was to discuss docket structures, so that a recommendation could be presented to the Commission for moving forward with future discussions and action on Community Solar implementation. Stakeholders were able to achieve both goals.

October 19, 2017 Stakeholder Discussion on Scope

To prepare for the meeting, stakeholders and staff developed a list of essential Community Solar actions and issues that must be addressed prior to program launch. Stakeholders were asked to prioritize and categorize these items; identifying which issues should be addressed as higher priorities, and which could more appropriately be addressed in later phases of the project. Stakeholders were therefore prepared for a detailed discussion of timing and priorities for the October 19 workshop. As part of this discussion, the essential role of the third party administrator in many of the issues under consideration was acknowledged.

After working to prioritize the issues, consensus emerged on the following categories as areas where early action was appropriate and desired by stakeholders. Below the individual categories are specific issues that stakeholder groups intend to address:

1. Funding, Data and Financial Exchange, Billing Tariffs
 - a. Pre-recovery of PA and utility costs
 - b. Data and financial exchange
 - c. Billing Models

¹ OAR 860-088-0020.

2. Project details
 - a. Interconnection
 - b. Role of existing projects, any carve-outs for smaller projects
 - c. Flow of needed pre-certification items from projects
 - d. Deposits and associated process
 - e. PPA requirements
 - f. Qualifying Facility (QF) project requirements
 - g. Project Queue

3. RVOS and bill credit determination
 - a. Subgroup identification of what RVOS elements need to be known to implement Community Solar
 - b. Discussion of granularity, what factors will differentiate community solar projects; i.e., urban vs. rural, locational values, etc.
 - c. Identification of timing for alternative credit development if necessary (i.e. "drop dead date" if RVOS is not ready.)
 - d. If an interim rate is not ready, what is the alternative path (procedural and timing)

4. Low income
 - a. Providing clarity to interested community groups on implementation status
 - b. Ideas for community engagement
 - c. Income threshold definition review
 - d. Consideration of how low-income projects will be placed in the queue
 - e. Definition of principles for low-income engagement, benefits flowing to individual customers, etc.
 - f. Portability or locational attributes
 - g. Incentive adders discussion within low income subgroup

Following the identification of these priorities, stakeholders worked to structure next steps. As a whole, the group decided it would be more productive if the four priority areas were assigned sub-groups that would take action in parallel. Volunteers to lead these groups emerged. Staff has worked with these volunteers to help them conduct planning meetings, calls, and deliverables for their sub-groups. Individual OPUC Staff have been assigned to each sub-group to support its efforts. As part of the "rules of the road" Staff communicated to each individual sub-group leads the following guidance for their conversation and work-product:

- Clear communication with fellow stakeholders.
- A positive effort to separate facilitation from advocacy.
- Product and progress. Even if a sub-group is not able to produce any clear recommendations, or it is determined that third-party administrative or Commission support or resolution on issues is needed, sub-groups should explore the issues and make a clear ask for that support or Commission resolution.
- A request to keep in mind what is possible in the near-term. If an issue is relatively clear and seems likely to yield to consensus that might be a good use of sub-group time and resources. Staff encourages deferring more difficult issues to a later date, especially if those issues are not necessary to resolve before other consensus items can be tackled.

Resources and Support from Commission Staff:

- Staff will take responsibility for leading sub-groups as needed. If the sub-group becomes unwieldy or unproductive, Staff will step in. Staff will also step in if sub-group leads can no longer sustain the time commitment necessary to produce viable results.
- Meeting or phone resources. Staff is making meeting locations, call-in numbers, etc., available to sub-groups.
- Staff attendance and hands-on participation. Some combination of Commission Staff will be available for all sub-group calls or meetings.
- Integration of sub-groups products (recommendations, etc.) back into the larger process, and back through the Commission.

Stakeholders made more progress during the October 19 workshop than anticipated; coming to the conversation prepared and ready to work towards practical resolution of the scoping and docket management topics. Staff is confident that the volunteers who have asked to lead sub-groups will produce clear recommendations and actionable steps for Commission Staff and the Commission in this implementation process. Specifically, Commission Staff would like to thank:

- *Erick Anderson*, with PacifiCorp,
- *Jon Miller*, with the Oregon Solar Energy Industries Association,
- *Silvia Tanner*, with Renewable Northwest; and

- *Oriana Magnera*, with the Northwest Energy Coalition.

October 19, 2017 Stakeholder Discussion on Docket Management

Staff and stakeholders also discussed docket management issues associated with Community Solar implementation development efforts. After discussion, it was determined that the best and simplest way forward was to instigate the implementation effort through the current AR 603 dockets in a series of workshops, and sub-group meetings. As issues are resolved and clear, actionable recommendations are produced, Staff plans for bring those recommendations to the Commission.

For example, the group leading the discussion on funding, data and financial exchange, and billing tariffs may come to a consensus position on the recovery of program administrator funds. This could result in a near-term recommendation for a recovery-specific tariff or action that Staff and electric companies would present to the Commission. In this way, on an as-needed basis individual focused Commission action could be taken to advance specific issues. Accordingly, at this time Commission Staff does not recommend the opening of a new docket or series of dockets for Community Solar.

RFP Update

Staff is working with the Department of Administrative Service (DAS) on development and release of the RFP for a third-party Program Administrator. Staff notes that the Commission's level of control over the RFP release timeline is minimal; however currently Staff anticipates that the RFP will be completed and released by the end of November, 2017. The subsequent timetable will be dictated by the release date, but Staff proposed to have the third-party Program Administrator selected and contracted by the end of Q1 2018.

On October 27, 2017 Staff hosted a workshop of bidder organizations in Portland with over 20 attendees. At this workshop, Staff described legal background associated with the project, RFP components such as the general duties of the Program Administrator and the qualities for the Program Administrator that have emerged as priorities for the Commission, the structuring of cost proposals, and some formal requirements. DAS supported the workshop and helped to answer bidder questions via phone.

Conclusion

Staff appreciates the commitment of stakeholders in their support of the Commission's effort to implement the program. If the current collaborative effort on the part of these

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entities is continued, Staff expects consistent progress on this docket as we move deliberately towards the launching of a program for the public.

PROPOSED COMMISSION MOTION:

Approve Staff's request to continue to advance Community Solar implementation through AR 603. Staff is directed to bring actionable Community Solar implementation recommendations for the Commission as warranted through public meeting memos. Staff is directed to provide an update to the Commission on the status of Community Solar implementation efforts no later than January 17, 2017.

AR 603