



TO: Chair Jackie Dingfelder
Senate Committee on Natural Resources & Environment

FROM: Sarah Higginbotham, State Director, Environment Oregon
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DATE: February 19, 2013

RE: HB 2893

As the State Director for Environment Oregon, I represent over 30,000 members in support of repowering Oregon with clean solar energy. Environment Oregon is a statewide, citizen-based, environmental advocacy organization.

We support HB 2893 as one of the key steps Oregon should take toward repowering with 250,000 solar rooftops by 2025. This bill will extend a key solar program, allowing time to for a critical study that will lay the groundwork for a longer term solar policy. **HB 2893 represents a consensus work group decision** that included utilities, solar advocates, and Oregon businesses. Environment Oregon, Sierra Club, Pacific Corp, Portland General Electric, Citizens Utility Board, Renewable Northwest Project, Solar Oregon, Oregon Solar Energy Industry Association, Oregonians for Renewable Energy Progress, and others.

CRITICAL EXTENSION OF SOLAR PILOT PROGRAM: HB 2893 will extend the current Solar Pilot Program for one year with a focus on commercially sized systems that are too large or ineligible to benefit from the Energy Trust of Oregon or the Residential Energy Tax Credit incentives. This modest extension would add an additional 2.5 MW to the initial 25 MW's allocated, but it will serve a vital component of the market and is necessary to keep Oregon's thriving and diverse solar industry strong.

NEXT STEP TOWARD FUTURE SOLAR PROGRAMS: The bill also calls for the PUC, with assistance from the Oregon Department of Energy, to conduct a study that will evaluate the benefits of solar energy to consumers and Oregon, and the qualities that existing or alternative programs do or could deliver. **Many of the benefits of solar power are not captured in the way utility companies have traditionally priced power.** Policy reforms are required to ensure that the market appropriately recognizes the value that solar energy provides and compensates individuals and businesses who install solar panels. This critical look at solar in Oregon will lay the foundation for moving forward boldly and united in tapping in to our most abundant clean energy resource. We look forward to participating in a docket established by the PUC.

LESS THAN A PENNY A MONTH: The bill requires no general fund assistance. The cost of production is paid as a fixed production incentive over 15 years, with the owner of the solar system being responsible for maintaining the system and costing consumers less over time as the cost of the fossil fuel energy they are replacing continues rising. Oregonians for Renewable Energy Progress (OREP) estimates that the rate impact of this extension are miniscule—**initially less than a penny a month on a typical residential electric bill, and diminishing over the 15 years of the contracts.** The benefits however will soon outweigh this slight expense—bringing the cost of solar energy down to parity with electricity from fossil fuels as we've seen with wind power here in Oregon over the next decade.

Our dependence on dirty fossil fuels is fueling pollution that threatens our health, our environment and our future. To cut ties with our dangerous addiction to dirty energy, we have to tap into the power of the sun. And Oregon should be leading the way on solar, not lagging behind. HB 2893 is one key step toward repowering Oregon with solar energy that doesn't pollute, never runs out, and puts Oregonians to work.

I have provided additional information below about Oregon's potential to achieve 10% of our electricity needs from solar with 250,000 solar rooftops by 2025. Thank you for the opportunity to provide this testimony to the committee.

Sincerely,
Sarah Higginbotham, State Director

Oregon should work to achieve 250,000 solar rooftops by 2025

When it comes to clean energy, Oregon is a leader not a follower. If we're serious about reducing our dependence on dirty and dangerous fuels, there is no question: we have to tap into the power of the sun. However, right now, less than 1 percent of our energy comes from the sun, when we could be generating power on every Oregon home, office, school, warehouse, and retail store. This summer, Environment Oregon Research & Policy Center released a report that aimed to identify Oregon's solar potential.¹ We concluded that Oregon could feasibly generate up to 10 percent of its electricity mix from solar power by 2025—30 times as much as we generate today and the equivalent of taking 730,000 cars off the road. **Oregon should be reaching toward the bold and achievable goal of 250,000 solar rooftops by 2025. HB 2839 will be one key step toward getting there.**

Oregon is falling behind when it should be leading

Oregon has less solar energy infrastructure installed per person than the national average. At the end of 2010, Oregon had about 24 megawatts (MW) of solar photovoltaic capacity installed in total, or about 6 watts per resident. In comparison, the national average is 7 watts per resident. Leading states, such as New Jersey and California, had five times as many watts per resident. **What makes New Jersey and California different from Oregon is not so much the quality of their solar resources, but more the effectiveness of the policies these states have put into place to accelerate the market for solar power.**

Rooftop solar is a valuable resource for Oregon's energy future

The Northwest Power and Conservation Council notes in its latest planning document that “the region needs to devote significant effort to expanding the supply of cost-effective renewable resources, many of which may be small scale and local in nature.”² Launching a strong market for solar power is one way to meet that need. Solar PV provides value to all electricity consumers and to society as a whole in important ways. For example:

- Local solar PV generates electricity close to where it will be used, reducing the need to invest in building and maintaining new power lines and other infrastructure, increasing the reliability of electricity service, and reducing electricity losses that would occur if the power were transmitted over a long distance.
- Because solar panels require no fuel, they are a very low-risk investment. Solar PV can act as an effective hedge against the possibility of short-term spikes or long-term increases in electricity prices.
- Solar also benefits society at large by reducing global warming pollution. Building 250,000 solar rooftops in Oregon by 2025 would prevent 3.8 million tons of carbon dioxide pollution.

Many of these benefits are not captured in the way utility companies have traditionally priced power. Policy reforms are required to ensure that the market appropriately recognizes the value that solar energy provides and compensates individuals and businesses who install solar panels.

Rooftop solar can create jobs and strengthen Oregon's economy

Oregon is already one of the nation's leading centers for solar technology design and manufacturing. Oregon's solar industry today employs 3,300 workers at 545 firms—and its solar job market is growing faster than in all but five other states. Increasing local demand for solar power can create thousands of additional jobs in the clean energy industry. **Expanding Oregon's solar energy market would create thousands of additional jobs in system manufacturing, and particularly in installation and maintenance—jobs that cannot be outsourced.**

While we have one of the fastest growing solar industries in the country, Oregon's solar industry is now tied to growing markets in other states and around the world. For example, in April 2011, Portland-based Solar Nation completed the installation of what was at the time the nation's largest rooftop energy system, using solar panels made by SolarWorld in Hillsboro. But the system was located on top of a building in Edison, New Jersey. While installations in other states benefit Oregon manufacturers, a steady market in Oregon would be even more beneficial for the local solar industry.

¹ Environment Oregon Research & Policy Center, *Solar Works for Oregon*, Summer 2012. Available online: http://www.environmentoregon.org/sites/environment/files/reports/Solar%20Works%20for%20Oregon_Summer%202012.pdf

² Northwest Power and Conservation Council, Sixth Northwest Conservation and Electric Power Plan, February 2010.