



## Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

February 19, 2013

Representative Bailey, Chair  
House Committee on Energy and Environment  
900 Court St. NE  
Salem, Oregon 97301

Dear Chair Bailey and Members of the Committee:

The City of Portland supports HB 2795, which establishes community net metering for the purpose of allowing subscribing customers to receive on-bill credit for a portion of electricity produced by a community net metering facility. Solar energy presents a major opportunity to advance Portland's economic development strategy and climate protection efforts, and we support removing barriers to solar installation.

Currently, residents and businesses who install solar panels or other renewable electricity sources on their own homes or buildings receive credit for the electricity produced through "net metering," meaning the amount of energy produced is deducted from the total amount of energy used, giving the owner the full retail value of the electricity.

Net metering has been a critical policy tool and incentive for the development of solar energy in Oregon. However, participation in net metering has been limited to property owners. Renters cannot participate because they do not own their roofs or meters. Multifamily and mixed-use facilities with multiple tenants are also excluded due to the problem of assigning the benefits of the generation to each occupant. This is also a barrier for home and business owners with shaded, old or otherwise non-ideal roofs, or those located in historically designated districts, many of whom have been unable to install solar, even if they are motivated to do so.

Community net metering allows the generation from a single solar generating system to be distributed among multiple electric service accounts that are not owned by the generator. Benefits of community net metering include:

- Construction of more distributed solar generation, and accompanying reductions in greenhouse gas emissions.
- solar ownership for a broader, more equitable citizen base, including renters, apartment dwellers, and multi-tenant commercial building occupants.
- Potentially reduced cost of solar, both in terms of capital costs and incentives (public investment).
- Increased renewable energy generation per dollar of investment (public and private) because systems can be optimally sited and can take advantage of economies of scale.
- Citizens with homes and businesses in historically designated zones, or with rooftops that are unsuitable for solar, will be able to benefit from net metering and install solar.



City of Portland, Oregon | Bureau of Planning and Sustainability | [www.portlandonline.com/bps](http://www.portlandonline.com/bps)  
1900 SW 4th Avenue, Suite 7100, Portland, OR 97201 | phone: 503-823-7700 | fax: 503-823-7800 | tty: 503-823-6868

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The City of Portland attempted a community-shared solar pilot in 2012 under existing net-metering laws and with existing incentives available in the market (i.e., Oregon Volumetric Incentive Rate, federal Investment Tax Credit). That pilot faced many hurdles because of these constraints and did not ultimately result in installations, though a number of valuable lessons were learned. One of the key findings resulting from the City's pilot was that community net-metering would provide a much more conducive legislative and regulatory environment for accomplishing community objectives around distributed energy, carbon emissions reduction and social equity.

Thank you for the opportunity to comment.

Sincerely,



Michael Armstrong  
Policy, Research and Operations Manager

