

3Degrees

American Wind Energy Association

Atkins

Blattner Energy

Bonneville Environmental
Foundation

Center for Energy Efficiency &
Renewable Technologies

Christenson Electric

Citizens' Utility Board of Oregon

Climate Solutions

Columbia Gorge
Community College

Community Renewable
Energy Association

DNV GL

EDF Renewable Energy

EDP Renewables

Environment Oregon

Environment Washington

Eurus Energy America

EverPower

FirstWind

GE Energy

Geothermal
Resources Council

Green Mountain Energy

HDR Engineering, Inc.

Iberdrola Renewables

Idaho Conservation League

K&L Gates

Kapla Law PLLC

MAP

Montana Environmental
Information Center

MontPIRG

Natural Capital Partners

Natural Resources
Defense Council

NextEra Energy Resources

Northwest Environmental
Business Council

Northwest SEED

NW Energy Coalition

OneEnergy Renewables

Oregon Solar Energy
Industries Association

Orion Renewable Energy
Group LLC

OSPIRG

Oregon Tech

Portland Energy
Conservation, Inc.

Principle Power

REC Silicon

RES America Developments

Solar Oregon

SolarCity

Stoel Rives, LLP

SunPower Corporation

SWCA Environmental Consultants

Tonkon Torp LLP

Vestas Americas

Warm Springs Power &
Water Enterprises

Washington Environmental Council

WashPIRG

Western Resource Advocates

Date: February 9, 2015

To: Representative Jessica Vega Pederson, Chair, House Committee on Energy and Environment, and Committee Members

RE: Testimony of Hillary Barbour, Policy Director, Renewable Northwest for February 10, 2015 hearing on HB 2447.

Attachment: Oregon Renewable Energy Projects Fact Sheet

Madam Chair and Members of the Committee, thank you for holding today's hearing. I am Hillary Barbour, the Policy Director of Renewable Northwest. We are a diverse non-profit advocacy organization that is dedicated to the responsible development of renewable energy resources in Oregon and throughout the Pacific Northwest. Our members include business and industry groups, conservation organizations, ratepayer advocates and educational institutions.

Oregon has a history of successfully developing renewable resources, and we are recognized as a national leader for our efforts.

Renewable Northwest supports HB 2447 to extend the Residential Energy Tax Credit program until 2022.

Solar energy is playing an increasingly important role in helping Oregon achieve a clean energy future for its citizens.

As of 2013, Oregon has seen over \$1.6 billion invested in the solar industry, supporting a manufacturing industry and leading to more than 8000 installations of solar systems, including residential, commercial, and utility scale applications which total of more than 85 megawatts of capacity.

The solar industry, including manufacturers and installers, is a growing source of jobs and revenue for the state. By investing in systems that generate their own energy, utility customers are taking control of their energy needs and personally participating in driving our clean energy future.

Solar energy, once installed, has no ongoing fuel costs, making a smart hedge against the uncertainty and expense of volatile fossil fuel price increases.

The declining costs of installed solar systems in the United States over the last 5-10 years has been well documented, and energy analysts anticipate costs will continue to fall. Reduced costs and improved technology are contributing to steady growth in the number of rooftop solar systems across the country. On average, the cost of solar has plummeted by 80% in the past five years.

And yet, residential systems are still expensive for average consumers to pay for upfront and install. According to the Lawrence Berkeley National Laboratory's annual solar assessment for 2014, typical residential systems in Oregon cost around \$4.70/Watt, meaning a 5-kilowatt system would cost around \$23,500.

Oregon has offered incentives in the form of tax credits for solar installations since 1977. In its current form, the RETC enables residential customers to receive \$1.90/Watt up to a limit of 50% of the total installation costs of \$6000-
-whichever is less.

The Oregon Public Utilities Commission's 2014 report to the Legislature on the effectiveness of solar programs in Oregon found that financing the installation costs are a key barrier to potential customers. The RETC, coupled with other state and federal programs, helps homeowners reduce the upfront costs of installing solar systems.

As a result, participation in the various programs has remained strong, especially as costs have declined.

As solar prices continue to fall, incentives such as the RETC will play an even greater role in spurring investment in Oregon's solar industry. Now is a critical time to extend this incentive and help the solar industry continue to grow in Oregon.