



March 3, 2015

House Energy and Environment Committee

Dear Chair Vega Pederson and Members of the Committee,

I offer my support for extension of the Solar Payment program outlined in HB 2745.

**Solar Costs Declining:** With experience comes efficiency. All sizes of solar saw prices drop during the Pilot Solar Payment program. The 2014 PUC Report<sup>1</sup> on the Solar Payment program showed non-equipment prices came down by at least 25% between 2010 and 2013.

Obsidian Renewables has direct experience with competitive bidding on the larger (100 kW – 500 kW) FIT projects under this program. Prices dropped dramatically in that category. The winning bid price dropped 54% over the life of the pilot in PacifiCorp territory. The reason bid prices came down include experience and the creation of a competitive market for solar in Oregon, in addition to the declining costs of solar equipment.

**Consistent Policy:** The Solar Payment program was a successful pilot. By design, the program was an experiment with how to better structure a longer term program. An additional consideration, the federal tax credit for solar is set to expire in 2016. This federal incentive reduces the investment needed by Oregonians to maintain a healthy commercial solar industry.

**Broad public support for solar:** Oregon loves solar! The PGE Integrated Resource Plan for 2013 included poll results showing strong customer support for renewables and solar. Of all renewables, solar polled the strongest among their rate payers. Nationally 29% of all new electric capacity<sup>2</sup> in 2014 was solar. Solar is here to stay.

These comments are submitted by:

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<sup>1</sup> Investigation in the Effectiveness of Solar Payment Programs in Oregon, July 1, 2014. Public Utility Commission of Oregon.

<sup>2</sup> GTM 2013 USA Solar Market Insight