



**Bureau of Planning and Sustainability**

Innovation. Collaboration. Practical Solutions.

March 2, 2015

House Committee on Energy and Environment  
Oregon State Capitol  
900 Court Street NE, Hearing Room D  
Salem, OR 97301

**RE: City of Portland support for HB 2941**

Dear Chair Vega Pederson and Members of the Committee:

The City of Portland supports **HB 2941**, which establishes qualifications for **community solar gardens** and organizations with interest in the electricity generated by community solar gardens.

Portland has had renewable energy policies in place since the 1970s. Our current Climate Action Plan, which calls for an 80 percent reduction in community-wide carbon emissions by 2050, establishes aggressive targets for installed solar capacity. Since 2006, Portland has made great strides in increasing solar adoption. There are now approximately 15 megawatts of installed photovoltaic capacity in Portland, and the Bureau of Planning and Sustainability seeks to double that wattage by 2019.

As Portland's solar programs have matured, we have sought to find ways to make solar more accessible to a wider range of Portland residents. The highly successful Solarize campaigns, which made going solar easy for hundreds of Portlanders, tended to serve middle- and upper-income homeowners. Applying an equity lens to City energy programs has led Portland to pursue the development of community-shared solar electric systems.

Portland began a serious exploration of community solar in 2011. With technical assistance from the U.S. Department of Energy, the Bureau of Planning and Sustainability (BPS) investigated options for community solar within existing legal, regulatory and administrative conditions in Oregon. Portland ultimately undertook two different community solar pilots conducted between 2012 and 2014. These pilots had limited success in terms of installed solar, but delivered valuable lessons.

The key takeaway from these pilots is that community solar requires a more supportive legislative, regulatory, and financial environment. The absence of virtual net-metering, the presence of restrictive securities laws, and the cost and complexity of third-party tax-equity financing for solar all posed major hurdles to the development of community-shared projects.



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Utility cooperation is essential to successful community-shared solar programs. Utility support has been an important factor in every market in which community-shared solar programs are more developed than in Oregon.

HB 2941 is a critical piece of enabling legislation that:

- Sends a signal to the market that Oregon supports community-shared solar project and program development.
- Strengthens the value proposition for consumers to participate in community-shared solar projects.
- Provides utilities with a clear, flexible framework within which to operate.

Portland is encouraged by language in Section 4 directing the Oregon Public Utilities Commission (OPUC) to establish “production rates or processes” for the procurement of electricity generated by community solar gardens. However, the bill does not clearly require that these “production rates” include a production-based incentive above the value of the electricity. For greater market growth and predictability, Portland suggests that the legislation specify that “production rates” include a production-based incentive above the value of the energy.

The City of Portland endorses HB 2941 and urges your support.

Thank you for the opportunity to comment.

A handwritten signature in black ink that reads "Susan Anderson". The signature is written in a cursive, flowing style.

Susan Anderson  
Director