



February 15, 2018

Representative Phil Barnhart  
Chair, House Revenue Committee  
900 Court Street  
Salem, OR 97301

Additional Testimony in Favor of the Solar Provisions of HB 4027

Chair Barnhart and members of the Committee,

I would like to address a couple of questions I received for additional information. There are no installations in the state combining solar and batteries (except for traffic controls and some remote off-grid applications). At this time, the cost of batteries exceeds the additional revenue a project can earn using the batteries, so batteries are not cost-effective. Yet it is widely expected that battery costs will come down and batteries will start to be installed over the next few years.

“Storage devices” (i.e. batteries) are included in the definition of “Solar Facility” used by the Oregon Department of Energy, the Energy Facility Siting Council and the Land Conservation and Development Commission. I believe batteries can (and someday will) be a common feature in a solar project.

The proposed amendments include storage devices in the definition of solar facility, but only for payment in lieu of property tax agreements entered into before June 30, 2021. The purpose of this sunset is to allow the state to gain some experience with solar and batteries and then revisit the appropriate method of property taxation for storage devices during the 2021 regular session. No projects with batteries are expected to be installed by the 2019 regular session, but some projects are expected to be installed in 2020.

The PILOT program remains optional, so batteries will only be included in projects where the city or county has agreed.

Thank you for your attention.

David W. Brown  
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