

March 21, 2019

Ken Helm, Chair  
House Committee on Energy & Environment  
Oregon State Legislature  
900 Court Street, NE  
Salem, OR 97301

Dear Chair Helm, Vice-Chairs Reschke and Schouten, and Members of the Committee,

My name is Billy Sorenson and I am the founder of RS Energy. I am here to testify in support of HB 3325. I recognize that I am in a little bit of a David and Goliath situation, but am grateful to be here today.

RS Energy, which is headquartered in Tualatin, Oregon, builds solar projects no larger than 11 acres and a majority of our customers are farmers – we are the Oregon Farm Bureau’s preferred solar provider. We have had to expand into other Western states because of challenges we face in Oregon. The challenges in Oregon are caused by the uncertainty and delays when working with the utility.

PGE and Pacific Power no longer try to partner with commercial solar developers or installers. RS Energy has tried unsuccessfully for years to work directly with the utilities. Because that outreach did not result in any productive or collaborative dialogue, we brought this legislation forward.

All we are trying to do with this bill is make purchasing and installing solar panels easier for Oregon business owners and farmers. This bill does not require additional state funds.

HB 3325 brings certainty in two ways:

First, it puts reasonable time frames for the utility to complete needed grid upgrades once the customer has funded the job. After the go ahead is given, the utility would have up to six months to complete the construction needed. It is important to note that the contractor pays for the construction not the ratepayers.

I will share an example of how a project was killed because of the utilities ability to dictate construction time frames.

RS Energy had a project in PGE territory a little over a year ago. Once we received the price for the upgrades we were told that the construction part of the project would not happen for at least another year and a half. PGE did not give a reason.

It is not uncommon for PGE or PPL to use third party companies to work on the electrical grid to fast track construction; it is referred to as sole sourcing. We asked but we were denied the opportunity. Again with no reason.

Unsurprisingly both the customer and RS Energy mutually walked away from the project.

How is any solar business owner going to be confident to spend the resource needed to acquire new customers to then have to wait another year and a half for the utility to do its work?

Second, HB 3325 lets the customers get an accurate construction estimate for the network upgrades in one shot. This bill would bring construction estimates to within +/- 5%. It is currently +/- 25%, which creates too big of a swing for cost planning.

In the Oregon Construction Handbook, which all contractors test off of, it reads:

*Provides that a good estimate will fall within 1 percent to 2 percent of actual construction costs.*

Based on these standards we are not over reaching by asking for a +/- 5% cost estimate.

When we have asked the utilities to defend their costs we are always rejected. Pacific Power has gone so far to say that that information is proprietary. If I told our customers that our costs are proprietary and I did not have to show them...we would be out of business.

That is what the bill accomplishes. This is what the bill does not do:

- The bill does not increase rates for the rate payers because:
  - All cost are born by either the contractor or customer. There is no cost recovery in commercial solar.
  - If the IOU's are unable to accurately estimate with in 5% of the actual construction cost any overages should be covered by the shareholders of the company and not passed along to the ratepayers.
- The bill does not require any money from the state.
- The bill does not take farmland out of production for solar.

This is not being addressed through rule and that is why we are doing this through statue. We are asking for a change in the steps, phases and timelines. Some of the rule days currently allowed are more stringent but the information provided is less informative. We are asking for the unnecessary steps to be taken out and the overall project timeline to be

capped. In other words, we would rather have better information up front and a more reliable timeline for the customer.

If Oregon wants to accomplish its renewable goals, legislation like this needs to be passed. This will create certainty in the market for companies like RS Energy to invest and grow their business in Oregon. If the utilities go on with business as usual they will quietly run everyone out of town.

This bill brings comfort to project owners by letting them know how much the project will cost and how long it will take to complete.

I know you are going to hear concerns. I would love to be able to address those concerns in amendments to be considered in a work session.

Thank you.

Sincerely,

Billy Sorenson  
Founder, RS Energy