



February 2, 2021

Senate Energy and Environment Committee

Testimony of Mike McArthur, Executive Director, Community Renewable Energy Association

Senate Bill 154

<> CREA support reauthorization of the solar PILOT program

<> CREA supports setting the price at \$5,500/MW and 15 year terms

The Community Renewable Energy Association (CREA), founded in 2007, is an intergovernmental entity organized under ORS Chapter 190. Our members include local governments, private developers and renewable energy proponents. We supported and advocated for the original solar payment in lieu of taxes statute that is sunsetting this year.

After extensive discussions with the development community and examination of the markets for solar energy we believe an adjustment is warranted in the base payment fee to \$5,500 per megawatt installed (from \$7,000/MW) and a reduction in length of term from 20 years to 15 years. There is interest in designating the \$5,500 amount as a floor which would allow a local government to negotiate for a greater amount should circumstances warrant the adjustment. CREA has no objection to that provision at this point.

The development of solar resources has become very competitive and the ability for local governments to provide incentives for solar projects has allowed Oregon to be competitive in the region. These projects can provide significant economic benefits through jobs and tax revenues and require very little in the way of public services. The development of these projects leads to decarbonization of the grid and are often located in rural areas in need of diversified economies.

The following chart shows how components for solar have come down particularly for modules used in larger solar developments. The price of solar energy production contracts have also come down.

