

# Impacts of HR 1 and Federal Executive Orders on the Solar Industry in Oregon



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# HR 1 provisions

- Eliminates the residential solar and battery storage 30% tax credit
- Systems must be installed by Dec 31<sup>st</sup>, 2025
- Leased residential systems can use the tax credit until Dec 31, 2027
- Projects over 1.5 MW must start construction by July 4, 2026
- Commercial projects under 1.5 MW must incur 5% of the cost of materials by July 4, 2026
- Changes to Foreign Entity of Concern (FEOC) rules – starting in 2026 there are difficult and confusing restrictions on materials used in solar projects
- Battery storage for utility scale projects still eligible





# Impact on Oregon- residential

- Residential customers only have three more months to take advantage of the tax credit
- Solar companies are bracing for a “cliff event” on January 1, 2026
- Most companies statewide anticipate laying off 50% of their workforce – around **1,500 workers statewide**
- Energy Trust of Oregon (ETO) has increased its incentives, but it does not make up the entire difference.
- ETO currently does not offer incentives for leased systems, but may in the future
- Portland Clean Energy Fund grant for low-income solar

# Impact on Oregon - commercial

- Rush for solar projects for businesses and multifamily housing to purchase materials before Dec 31, 2025
- Projects larger than 1.5 MW must start physical construction by July 4, 2026
- Many projects will not make the deadlines due to long permitting processes





# Solar for All Termination Impacts

- Low-income ratepayers will be left behind
- Customers outside of PGE and Pacificorp territory will have no solar incentives



# Executive Order impacts

- Projects in line for permitting at the Energy Facility Siting Council (EFSC) may be stalled without federal consultation
- Projects on federal land are no longer allowed



# The Legislature can Help

- Even a small amount of Solar + Storage Rebate funding will create a soft landing and will be the only incentive for coop customers
- Ask agencies to streamline permitting to ensure projects in the pipeline will meet new deadlines
- Encourage PGE and PacifiCorp to increase staffing to process solar applications
- Encourage local jurisdictions to increase staffing to process solar permits