

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 23, 2024**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **N/A** _____

DATE: January 16, 2024

TO: Public Utility Commission

FROM: Eric Shierman

THROUGH: JP Batmale and Sarah Hall **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 1020)
Approval of Renewable Development Fund grants to for-profit organizations and projects exceeding \$400,000.

STAFF RECOMMENDATION:

Approve the Meals on Wheels and Our Table Co-Op solar projects.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve two renewable energy projects receiving Category 2 grant funding from Portland General Electric's (PGE) Renewable Development Fund (RDF) program.

Applicable Rule or Law

ORS 757.603 requires the electric utilities to provide a portfolio of rate options to residential customers. Commission Order No. 16-156 created a Renewable Fund Review Process, which, in part, directed Staff to review renewable energy projects requesting more than \$400,000 in voluntary grant funds from PGE's RDF. The Order further adopted Staff's recommendation to approve PGE's RDF Guidelines delineating the Company's procedures for reviewing and processing such projects.

In Order No. 17-289, the Commission adopted with amendments, Staff's recommendation to limit awarding of grant funds to non-profits from the utilities' voluntary renewable programs.

In Order No. 17-455, for the purpose of voluntary renewable programs, the Commission adopted the definition of non-profits to include any mutual benefit corporation, public benefit corporation, religious corporation, municipal corporation, or Indian Tribe as defined by Oregon Law. The Order further adopted criteria for awarding grants to for-profit entities in that all for-profit applications will be subjected to the same evaluation as nonprofit organizations requesting greater than \$400,000, regardless of the amount requested.

Analysis

Background

PGE's voluntary green power programs are, in part, designed to collect funds that the Company can issue as grants to eligible renewable energy projects. In this way, the voluntary programs contribute directly to the development of new renewable resources that may not have otherwise been built.

In Order No. 16-156, the Commission approved PGE's RDF eligibility guidelines and approved a Renewable Fund Review Process for projects requesting voluntary grant funds. As a result, Staff and PGE established two categories of projects. Projects providing funding to non-profit entities and seeking \$400,000 or less from the RDF program are considered Category 1 projects and are reviewed by Staff. Projects providing funding to for-profit entities and/or seeking more than \$400,000 from the RDF are considered Category 2 projects. The Commission reviews for approval all Category 2 projects before PGE issues RDF funding. Category 2 projects are approved based on criteria established by Staff and PGE.¹

Project Summaries

In December 2023, PGE submitted three Category 1 projects for review by Staff and two Category 2 projects for review and approval by the Commission. The Category 2 projects are a community center for Meals on Wheels and a farm managed by Our Table Co-op.

¹ See Docket No. UM 1020, Portfolio Options Pursuant to ORS 757.603(2) and OAR 860-038-0220, *Staff Report for the December 18, 2018 Public Meeting*, p 2, December 13, 2018.

Table 1: Key Project Facts

Project	Technology	kW	Grant Amount	Project Budget	Percentage of Grant to Budget	Cost per Watt
Meals on Wheels	Solar PV	79.2	\$608,024	\$1,566,007	39%	\$19.77
Our Table Co-op	Solar PV	80.6	\$267,613	\$ 440,663	61%	\$ 5.47

The Meals on Wheels project is expected to be operational by May 2025. Meals on Wheels is a non-profit that provides nutritious meals to low-income people over the age of 60. The project will provide power for a community center that will operate as a resilience hub. Savings from the project will go toward expanding both total food purchases to serve more people nutritious, diet-sensitive, and culturally relevant meal options.

PGE’s third-party evaluator reviewed the project and noted project strengths including the fact that it is suitable for solar with a total resource fraction of 88 percent. The project has an experienced project team, and excellent operations and maintenance plan and pre-development. Weaknesses of the project are supply chain risks on the storage components of the project and high cost per Watt due to large storage components.

The Our Table Co-op (OTC) project is expected to become operational in September 2024. OTC is a for-profit cooperative farm and grocery store. The project will provide power to ground-mounted Stracker Towers, a solar panel that moves to face the sun, at the co-op’s farm and provide research data for an Oregon State University (OSU) study.

PGE’s third-party evaluator reviewed OTC’s proposal and noted project strengths, including the fact that the site is well suited for tracker solar. The project team has a history of successfully completing similar projects. And the solar panels may increase crop yield, which is what OSU researchers will be monitoring. One key weakness the evaluator found is that OTC has not applied for interconnection.

While both the Meals on Wheels and OTC projects have different strengths and weaknesses, the independent evaluator made an important determination that both grants are necessary financing for these projects to go forward. Therefore, the grants lead to incremental renewable energy development.

Reason for Staff Recommendation

Staff recommends the Commission approve these Category 2 RDF grants. Both projects provide incremental solar generation that would not be built without the voluntary portfolio options from PGE customers that fund these grants. These projects

meet the RDF mission and the motivation of PGE's customers to participate in portfolio options. New to this year's awardees is the option to include energy storage. Both Category 2 projects include battery storage which increases the cost of the project and the capacity contribution of the resource.

Conclusion

Based on the review of PGE's independent evaluator, Staff concludes the Meals on Wheels and Our Table Co-Op solar projects warrant Commission approval as worthy Category 2 projects.

PROPOSED COMMISSION MOTION:

Approve the Meals on Wheels and Our Table Co-Op solar projects.