

Community Solar Program Special Public Meeting

August 26, 2021



Meeting Agenda

- Commissioner welcome and opening comments
- Stakeholder opening comments (3 min each)
- Staff overview of proposal
- Commissioner-led discussion
- Commissioner final remarks
- Wrap-up and next steps



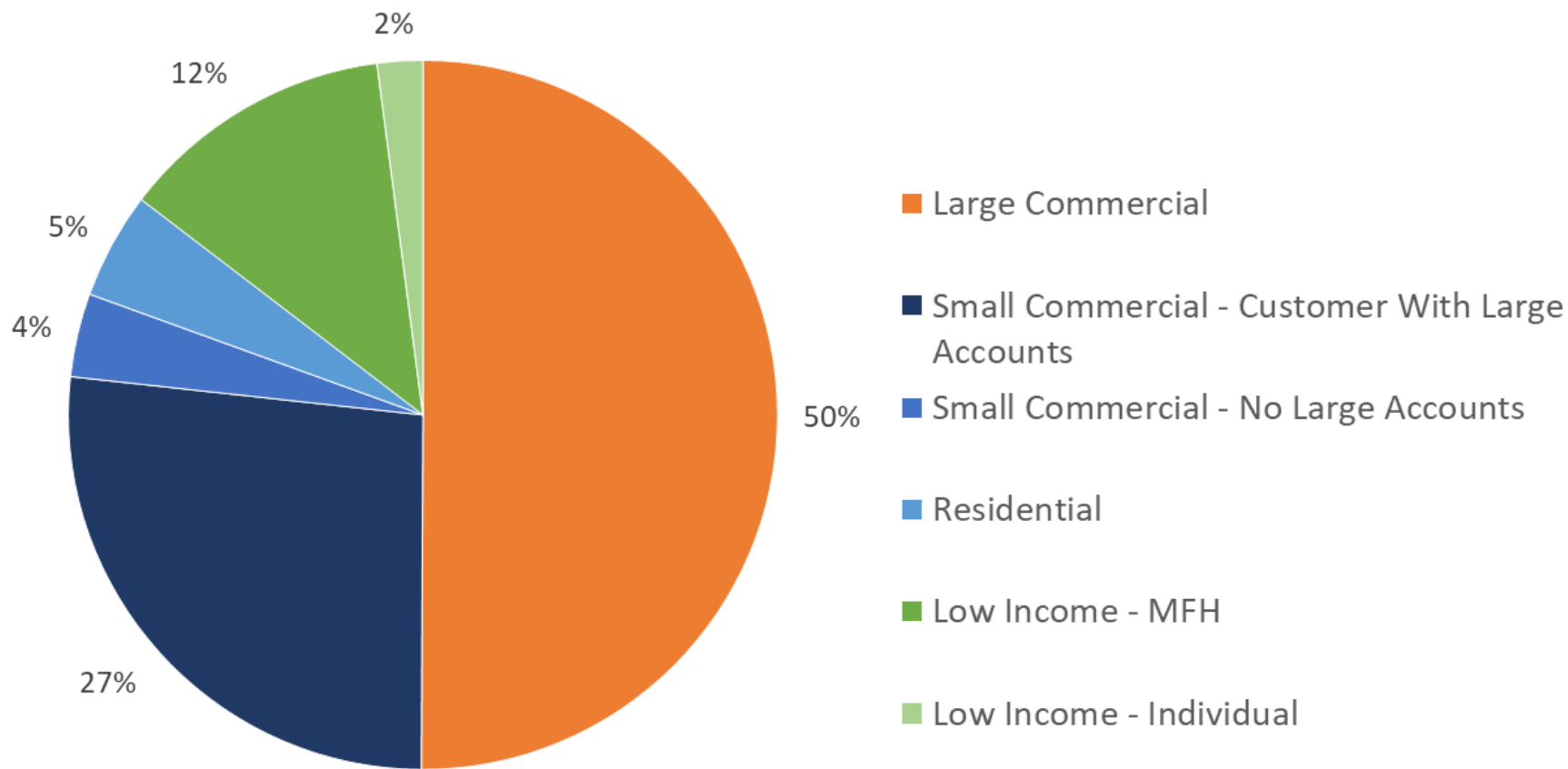
Staff Proposal Goals

- Realize program purpose: Increase residential participation and equitable access for those unable to access generation
- Focus on program market niche: Low-income residential, renters, community-led projects
- Provide co-benefits by reducing energy burden for low-income and supporting underserved customers
- Balance ratepayer costs and program goals



Current Subscriptions by Customer Type

19 Projects, Total Project Capacity of 30.8 MW-AC | Data as of July 26, 2021



Release remaining 79 MW of capacity

- General Tier 1 capacity is fully pre-certified
- New capacity needed to facilitate higher residential participation
- Supports viability of waitlisted projects



Project Capacity Requirements

- Retain minimum 10% low-income residential requirement
- Change minimum 40% requirement from *residential or small commercial to residential-only*
- Change maximum 50% allowance from large commercial to all non-residential
- Supports "anchor subscriber" model for financing
- Cost-modeling acknowledges higher residential customer acquisition cost for Project Managers



Low-Income Participation Benefit

- Increase subscription fee discount (relative to bill credit rate) from 20% to 40%
- 40% discount translates into 20-28% bill reduction
- Better reflects opinions of low-income experts, CBOs
- Not practical to justify with survey of low-income utility customers
- Cost-modeling acknowledges lower revenue for Project Manager from low-income subscriptions



Bill Credit Rate Changes

- Reduce non-residential bill credit 10%
 - Incentivizes PMs to subscribe residential vs non-residential
 - Modestly reduces ratepayer impact
 - Cost model assume PMs lower non-residential subscription fee
- Add 2% annual escalator, starting from Tier 1 rates
 - Covers costs borne by PMs to implement program changes
 - Escalator improves project cash flow compared to higher fixed credit rate



Community-based Capacity Carve-out

- Retain 25% capacity carve-out for Tier 2
- Revise eligibility requirements to ensure community benefit, remove loopholes
- Apply Tier 2 carve-out requirements and bill credit rate to unused Tier 1 carve-out capacity
- Allows time for projects to develop and leverage external resources



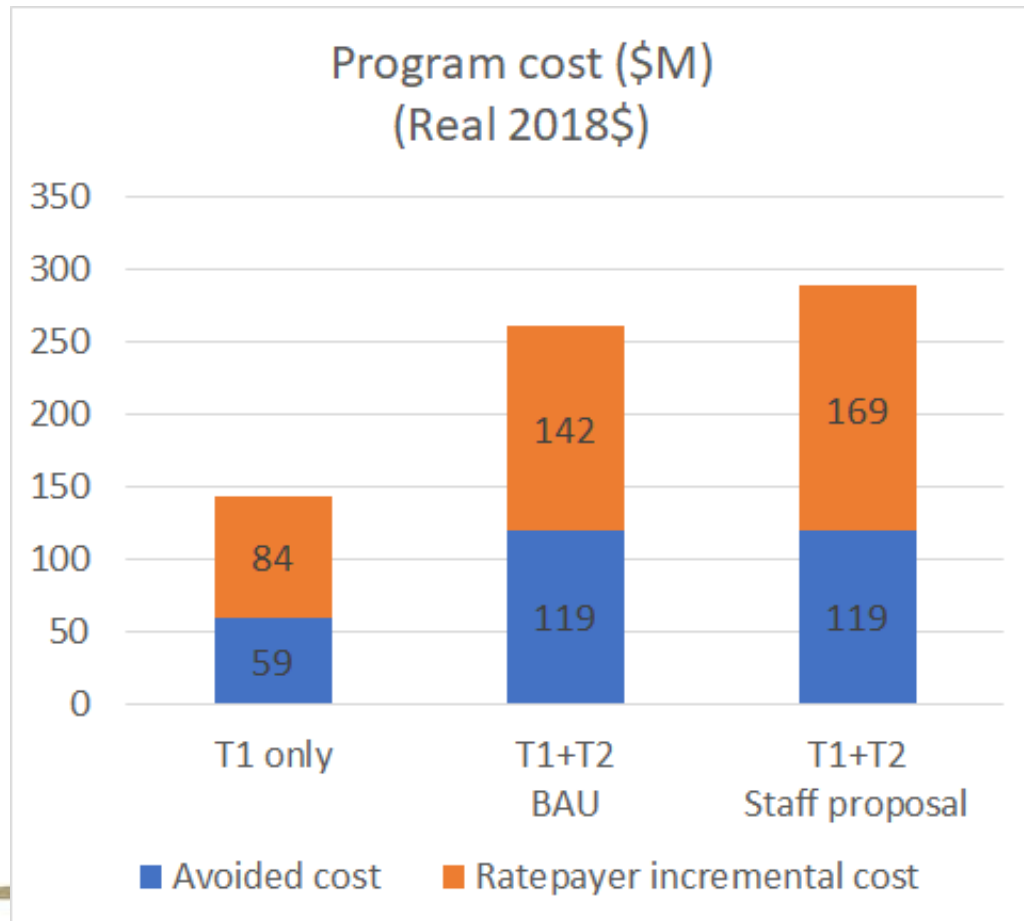
Staff Recommended PIM Modifications

- Simplify and Streamline Program
 - Benefits to residential and low-income customers, Project Managers, Project Administrator, Staff, and Commission
- Better Support Development of Carve-out Projects
 - Including pursuing simplified interconnection process
- Address unintended Program outcomes
 - Related to Project Managers subscribing customers
- Address Program Administration and Procedural Issues



Ratepayer Impact of Tier 2 Changes

Annual incremental program cost	
PGE	\$7-9M/year
PAC	\$3-5M/year
IPC	\$135k/year



Staff Proposal Summary

- Release remaining 79 MW of capacity
- Require residential subscription for 50% project capacity
- Increase low-income discount from 20% to 40%
- Reduce non-residential bill credit rate 10% from Tier 1
- Add 2% escalator to bill credit rate for all Tier 2 projects
- Maintain 25% capacity carve-out for community projects

