

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: October 21, 2021**

REGULAR  CONSENT  EFFECTIVE DATE Upon Approval

**DATE:** October 11, 2021

**TO:** Public Utility Commission

**FROM:** Joe Abraham

**THROUGH:** Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

**SUBJECT:** OREGON PUBLIC UTILITY COMMISSION STAFF:  
(Docket No. UM 1930)  
Requests extension of temporary waiver of Community Solar Program  
low-income subscription requirement for project Certification.

**STAFF RECOMMENDATION:**

Extend by six months the temporary waiver of the Community Solar Program ten percent low-income capacity requirement prior to Certification.

**DISCUSSION:**

Issue

Whether the Commission should extend the 12-month waiver period for an additional six months during which Project Managers (PM) can apply for project Certification without having met their low-income subscription requirement.

Applicable Rule or Law

ORS 757.386(2)(a) directs the Commission to establish a program that provides electricity customers the opportunity to share the costs and benefits of electricity generated by a community solar energy system.

ORS 757.386(9)(a) directs the Commission to determine a methodology by which ten percent of the total Program capacity is made available for use by low-income residential customers.

On June 29, 2017, in Order No. 17-232, the Commission adopted formal rules for the CSP under OAR Division 88 of Chapter 860.

OAR 860-088-0050(3)(b) provides that the Commission will certify a project that demonstrates compliance with applicable low-income capacity requirements.

On October 22, 2019, in Order No. 20-387, the Commission approved CSP low-income requirements.

In accordance with OAR 860-880-0190, on December 17, 2019, in Order No. 19-438, the Commission adopted the CSP Program Implementation Manual (PIM) and the program policies and procedures therein.

The PIM provides that at least ten percent of the generating capacity of each project must be subscribed by low-income residential customers at the time of Certification and throughout commercial operation of the project.<sup>1</sup>

On October 20, 2020, in Order No. 20-387, the Commission approved a 12-month Program-wide waiver of the low-income subscription requirement as a prerequisite for project Certification.

On March 9, 2021, in Order No. 21-082, the Commission approved a penalty for non-compliance with the Program low-income subscription requirement.

## Analysis

### *Background*

In Order No. 20-387, the Commission approved a 12-month waiver period during which PMs can apply for project Certification without having met their low-income subscription requirement. The Commission also approved allowing PMs to meet the low-income subscription requirement within a 12-month recruitment period after project Certification, or be subject to a penalty. At that time, Staff presented evidence that the COVID-19 pandemic was making it difficult for PMs and the Low-Income Facilitator (LIF) to recruit low-income customers to participate in CSP projects, including:

- Online education was not viable since many low-income residents lacked access to high speed internet or computers;
- Outreach to organizations that serve low-income residents was difficult due to staff reductions and competing priorities at those organizations; and

---

<sup>1</sup> CSP PIM adopted December 17, 2019, in Docket No. 1930, Order No. 19-438, p. 52.

- Low-income verification was difficult when libraries and other public resources were not open for customers to print and copy personal documents.

In Order No. 20-387, Staff also committed to update the Commission on the progress of CSP low-income recruitment under the waiver and recommend whether to continue with the waiver allowing projects to meet the low-income subscription requirement 12 months after Certification, or to let the temporary waiver expire and revert to requiring projects to meet the low-income subscription requirement prior to Certification.

In Order No. 21-082, the Commission approved a penalty for non-compliance with the CSP low-income subscription requirement. At that time, Staff also provided an interim update on ongoing challenges to low-income participation in CSP.

#### *Update on Low-Income Recruitment Under the Temporary Waiver*

Significant progress has been made on low-income recruitment since approval of the temporary waiver in October 2020. At that time, none of the 22 Pre-certified projects had met their low-income subscription requirement. Currently, 19 of the 34 Pre-certified projects have met their low-income recruitment goals. The remaining 15 Pre-certified projects are on track to but have not begun recruiting low-income customers due to one or more project development steps that PMs typically complete prior to recruiting customers.

Additionally, the LIF currently has more than 200 individual low-income customers on a waitlist for Portland General Electric's (PGE) service area and 49 customers on a waitlist for Pacificorp's (PAC) service area. The LIF also expects both waitlists to continue growing due to recent and upcoming CSP flyers included in PGE and PAC low-income customer bills. While the current size of the waitlists will not meet the anticipated demand for the remaining 15 Pre-certified projects, the LIF is confident it will meet its recruitment goals for these projects.

#### *Use of Master-Metered Affordable Housing to Meet Low-Income Requirement*

Order No. 19-392 includes rules for affordable housing providers to qualify as an eligible low-income subscription.<sup>2</sup> PMs began inquiring with the CSP Program Administrator (PA) about contracts with affordable housing providers in the fall of 2020. Since then, PMs for 11 of the 19 Pre-certified projects that have met their low-income subscription requirement entirely, or nearly entirely, have done so utilizing affordable housing providers. As a result, only 20 percent of the low-income subscription requirement across these 19 projects has been met by subscribing individual low-income customers. Based on PM marketing plans, however, the LIF expects at least 11 of the 15 remaining

---

<sup>2</sup> Order 19-392. <https://apps.puc.state.or.us/orders/2019ords/19-392.pdf>. Page 73, Appendix A.

projects in Tier 1 will meet their low-income subscription requirement entirely with individual low-income customers.

Staff would like to ensure the Program remains available for customers in affordable housing as well as individual low-income customers. Staff has recently proposed modifying the Program PIM to require that at least half of Tier 2 required low-income capacity, or five percent of total project capacity, is filled by individual low-income subscribers rather than by affordable housing providers.<sup>3</sup> Subject to stakeholder feedback, this will be included in PIM modifications to be brought to the Commission for approval in the next few months.

*Low-Income Recruitment Challenges Under the Temporary Waiver*

Over the past 12 months, the COVID-19 pandemic has continued to interrupt or impact low-income customer outreach efforts, as described by Staff in October 2020. Outreach efforts impacted include in-person group education and recruitment events, online education, and outreach to organizations that serve low-income residents. Low-income verification has remained difficult for low-income customers when libraries and other public resources close or reduce hours, limiting access to printing and copying of personal documents.

On March 9, 2021, Staff updated the Commission about a new, significant barrier to low-income recruitment related to the hierarchy by which utilities apply credits to the charges on the customer's bill if a low-income customer missed a payment or made a partial payment they could fall into arrears with the PM as well as the utility. This additional risk led the LIF and community-based organizations to be reluctant to promote the program until the risk of incurring new debt was managed.

Staff is pleased to report that over the past spring and summer, the PA, PGE, and PAC developed a solution for this billing hierarchy issue, allowing the LIF and community-based groups to resume low-income recruitment activities. The utilities will apply bill credits to offset the subscription fee, resulting in the PMs receiving full payment for subscription fees and a net savings applied to the verified low-income participants each month. If a partial payment is made, all the funds included in the partial payment will be applied to the low-income customer's utility bill and the PM will continue to be paid in full. As a result, low-income customers will not fall into payment arrears with the PM, and any unpaid utility charges, taxes, or fees unrelated to a CSP subscription will be carried forward to the next month's utility bill. With only one project involving affordable

---

<sup>3</sup> See Staff request for public comment on recommended modification to Program Implementation Manual, <https://edocs.puc.state.or.us/efdocs/HAH/um1930hah153019.pdf>. Pages 11-12.

housing, the PA determined it is not necessary at this time for Idaho Power Company to implement a similar process.

*Justification for Recommending an Extension of the Waiver*

Staff recommends extending the waiver, as opposed to letting it expire, for the following reasons:

- The COVID-19 pandemic continues to present a number of challenges to low-income customer recruitment;
- The LIF believes it is poised to meet low-income recruitment goals for current Pre-certified projects without delaying project Certification;
- The waiver has and is expected to continue to mitigate the risk of PMs engaging in overly-aggressive recruitment of low-income customers to avoid Certification delay;
- PMs and the LIF have indicated to Staff they are supportive of extending the waiver; and
- Staff wishes to seek stakeholder input on the future of the low-income waiver.

Conclusion

Staff recommends a six-month extension of the waiver of the low-income subscription requirement with penalty for non-compliance approved in Order No. 21-082. During the first 12 months under the waiver, Staff finds the waiver has provided valuable benefits to the Program, not harmed low-income subscribers, and has been supported by PMs and the LIF. Within the recommended six-month extension, Staff will seek stakeholder and Commissioner input on future options for the low-income waiver.

**PROPOSED COMMISSION MOTION:**

Extend by six months the temporary waiver of the Community Solar Program ten percent low-income capacity requirement prior to Certification.