

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 11, 2021**

REGULAR **CONSENT** **EFFECTIVE DATE** February 11, 2021

DATE: February 1, 2021

TO: Public Utility Commission

FROM: Kacia Brockman

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

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 1930)
Requests certification of projects in the Community Solar Program.

STAFF RECOMMENDATION:

Approve the certification of three projects in the Community Solar Program (CSP or Program).

DISCUSSION:

Issue

Whether the Commission should approve the Program Administrator's recommendation to certify three CSP projects.

Applicable Rule or Law

Section 22 of Senate Bill 1547, effective March 8, 2016, and codified in ORS 757.386, directs the Commission to establish a community solar program.

On June 29, 2017, the Commission adopted formal rules for the Program under OAR Division 88 of Chapter 860. OAR 860-088-0050 establishes minimum requirements for project certification.

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. Chapter 5 of the PIM establishes the project certification process and details the certification requirements.

Order No. 20-387 approved a 12-month waiver period during which projects can apply for certification prior to meeting the low-income subscription requirement.

Analysis

Background

Project Managers registered with the CSP may submit applications for project certification to the Program Administrator. As required by OAR 860-088-0050(3), the Program Administrator reviews the applications for compliance with Program requirements and recommends whether the Commission approve the projects for certification.

The Program Administrator recently received certification applications for the following three projects. All three projects are developed by the same Project Manager, Neighborhood Power, and are located in Portland General Electric (PGE) service territory. These are the first projects to apply for certification in the CSP.

Recommended Projects

Dunn Road is a 1.848 MW-AC project located north of Sandy in Clackamas County, Oregon. Mt. Hope is a 2.502 MW-AC project located southwest of Molalla in Clackamas County. Williams Acres is 2.502 MW-AC project located east of Woodburn in Marion County. These three projects represent all of Neighborhood Power's projects previously pre-certified in the CSP. Once certified by the Commission, these projects will commence commercial operation and the projects' subscribers will see their CSP credits and fees appear on their monthly bills as early as March.

Project Name	Name of Project Manager	Utility Territory	Project Size (kW-AC)	Attachment #
Dunn Road	Neighborhood Power OR, LLC	PGE	1,848	Attachment B
Mt. Hope	Neighborhood Power OR, LLC	PGE	2,502	Attachment C
Williams Acres	Neighborhood Power OR, LLC	PGE	2,502	Attachment D

After reviewing the applications and supporting documentation provided by the Project Manager, the Program Administrator has determined that these projects meet all certification requirements except the requirement that at least 10 percent of the project's

nameplate capacity is owned or subscribed by low-income residential customers (low-income subscription requirement).¹

The amount and percentage of capacity of each project that has been subscribed by low-income customers is shown in the table below. Across the Project Manager's portfolio of all three projects, low-income subscriptions represent 1.7 percent of the projects' cumulative capacity of 6.852 MW.

Project Name	Amount of Capacity Subscribed by Low-Income Customers (kW-AC)	Percentage of Project Capacity Subscribed by Low-Income Customers
Dunn Road	117	6.3%
Mt. Hope	0	0%
Williams Acres	0	0%

On October 20, 2020, the Commission temporarily waived the low-income subscription requirement for project certification.² The waiver is currently in effect and will continue through October 19, 2021. During the waiver period, Project Managers may apply for project certification prior to fulfilling the low-income subscription requirement, and must fulfill the low-income subscription requirement within 12 months of certification or be subject to a penalty. The Commission ordered Staff to seek stakeholder input and recommend a program-wide penalty for Commission approval by May 1, 2021. In the absence of a program-wide penalty at this time, the Project Manager has agreed to be subject to a specific penalty for these three project certifications (see Program Manager's attestation in Attachment A).³

Agreed-upon penalty

Neighborhood Power has agreed to be subject to the following penalty if it fails to meet the low-income subscription requirement within 12 months of project certification. The

¹ Community Solar Program Implementation Manual dated January 12, 2021, section 3.15.

² Order No. 20-387 approved a 12-month waiver period during which projects can apply for certification prior to meeting the low-income subscription requirement. The Commission's decision was motivated by the significant barriers to recruitment of low-income participants into the CSP caused by the COVID-19 pandemic.

³ The penalty to which the Program Manager has agreed is the same penalty that the October 15, 2020, Staff report mentioned as a possible program-wide penalty. On January 14, 2021, Staff requested feedback on the same proposed penalty from UM 1930 stakeholders. Staff also invited stakeholders to suggest alternative penalty proposals. As of January 28, OSEIA and PGE have expressed support for the penalty proposed by Staff. No stakeholder has objected or suggested an alternative penalty. Pending additional stakeholder feedback, Staff may recommend the penalty for program-wide adoption as early as the Commission's February 23, 2021, public meeting.

penalty will begin 12 months after project certification and will continue until the low-income subscription requirement has been met, after which the penalty will be permanently removed. The agreed-upon penalty is the same penalty Staff has proposed to stakeholders as a program-wide penalty.

Under the penalty, the Project Manager will forfeit revenue generated by the unsubscribed portion of the project's 10 percent low-income capacity allotment. For example, if 8 percent of the project's capacity is subscribed to low-income customers, the Project Manager will forfeit revenue from the remaining 2 percent of the project's capacity that is reserved for, but not yet subscribed to, low-income customers.

The utility pays the Program Administrator for a project's unsubscribed energy based on the utility's as-available avoided cost rate. Normally, the Program Administrator passes the payment through to the Project Manager. When the penalty is in effect, the Program Administrator will retain, rather than pass through to the Project Manager, the portion of revenue that is forfeited under the penalty. The Program Administrator will track forfeited revenue and use it to support the Low-Income Facilitator's low-income customer recruitment efforts.

After the low-income subscription requirement has been met and the penalty removed, the Project Manager will continue to reserve 10 percent of the project's capacity for low-income participants for the life of the project. However, the Project Manager will not be subject to the penalty again if the project's low-income subscriptions drop below 10 percent of the project's capacity due to customer attrition in the future.

Conclusion

Staff congratulates the Program Administrator, the Project Manager, and PGE for their roles in successfully preparing these projects for Program certification and commercial operation.

Staff has discussed the project applications with the Program Administrator and reviewed the CSP requirements. Staff finds that these projects qualify for certification under the low-income subscription requirement waiver approved by the Commission. The Project Manager has agreed to be subject to a specific penalty for failure to fulfill the low-income subscription requirement for each project within 12 months of certification. Therefore, Staff supports the Program Administrator's recommendation that the Commission approve the project listed above for pre-certification in the CSP.

Docket No. UM 1930
February 1, 2021
Page 5

PROPOSED COMMISSION MOTION:

Approve the Dunn Road, Mt. Hope, and Williams Acres projects for certification in the Community Solar Program.

January 12, 2021

Oregon Community Solar Program
Administrator@oregoncsp.org
(503) 546-3616

Attention: Ryan Cook

Re: Low Income Enrollment Penalty

Dear Ryan:

Neighborhood Power agrees for the Dunn Rd, Mt Hope and Williams Acres Solar Projects to be bound by the penalty below should the projects fail to fully subscribe ten percent of its capacity to low-income customers within twelve months of certification. I further understand that the three named projects remain bound to this penalty even if the Commission later adopts a different program-wide penalty.

If the Project Manager fails to fully subscribe 10 percent of the project's capacity to low-income customers within 12 months of project certification, the Project Manager will be subject to the penalty. The penalty will begin 12 months after project certification and will continue until 10 percent of the project's capacity has been subscribed to low-income customers, after which the penalty will be permanently removed.

Under the penalty, the Project Manager will forfeit revenue generated by the unsubscribed portion of the project's 10 percent low-income capacity allotment. For example, if 8 percent of the project's capacity is subscribed to low-income customers, the Project Manager will forfeit revenue from the remaining 2 percent of the project's capacity that is reserved for, but not yet subscribed to, low-income customers. The utility pays the Program Administrator for a project's unsubscribed energy based on the utility's as-available avoided cost rate. The Program Administrator will retain, rather than pass through to the Project Manager, the forfeited revenue. Forfeited revenue will be used to support the Low-Income Facilitator's low-income customer recruitment efforts.

The Project Manager must continue to reserve 10 percent of the project's capacity for low-income participants for the life of the project, but will not be subject to the penalty again if the project's low-income subscriptions drop below 10 percent of the project's capacity in the future.

Sincerely,



Stephen Gates
President



Community Solar Certification Recommendation

Public Meeting Date: 2/11/21

Project Overview

Project ID:	PGE-2020-51		
Project Name:	Dunn Rd		
Project Manager:	Neighborhood Power OR, LLC		
Site Address:	36673 SE Dunn Rd	Sandy	97055
Utility Territory:	Portland_General_Electric		
Project Size (kW-AC):	1848		
Applicable Designations :	Low Income	No	
	Workforce Diversity	No	
	Brownfield	No	
	Dual-Use Ag	No	
Development Entity Type:	LLC		
Projected COD:	2/12/2021		
Project Description:	1.848 MWac ground mounted PV system north of Sandy in Clackamas County.		

Requirements Checklist (OAR 860-088-0050 and PIM Chapter 5)

Participant requirements:

≥ 5 different participants	Yes
≥ 50% project capacity subscribed/owned	Yes
≥ 10% capacity subscribed/owned by low-income participants	No
≤ 40% capacity subscribed/owned by single participant	Yes
< 50% capacity subscribed/owned by large commercial/industrial/irrigation	Yes
All participants verified as eligible	Yes

Project requirements:

Project has not changed materially since pre-certification	Yes
Conditions imposed at pre-certification have been met	Yes
Executed utility PPA submitted	Yes
As-built plan set submitted	Yes
Final project cost information submitted	Yes
Status of utility interconnection upgrades and inspection submitted	Yes
Commercial Operation Date expected within 6 months	Yes

PA Recommendation

Recommendation: Without_Reservation
 Recommendation Date: 1/25/2021

The project meets all certification requirements except the low-income subscription requirement, which is temporarily waived. The PM has agreed to meet the low-income requirement within 12 months of certification or be subject to a specified penalty.



Community Solar Certification Recommendation

Public Meeting Date: 2/11/21

Project Overview

Project ID: PGE-2020-52
 Project Name: Mt Hope Solar
 Project Manager: Neighborhood Power OR, LLC
 Site Address: 32998 OR HWY 213 Molalla 97038
 Utility Territory: Portland_General_Electric
 Project Size (kW-AC): 2502

Applicable Designations :	Low Income	No
	Workforce Diversity	No
	Brownfield	No
	Dual-Use Ag	No

Development Entity Type: LLC
 Projected COD: 2/12/2021
 Project Description: 2.502 MWac ground mounted PV system southwest of Molalla in Clackamas County.

Requirements Checklist (OAR 860-088-0050 and PIM Chapter 5)

Participant requirements:

≥ 5 different participants	Yes
≥ 50% project capacity subscribed/owned	Yes
≥ 10% capacity subscribed/owned by low-income participants	No
≤ 40% capacity subscribed/owned by single participant	Yes
< 50% capacity subscribed/owned by large commercial/industrial/irrigation	Yes
All participants verified as eligible	Yes

Project requirements:

Project has not changed materially since pre-certification	Yes
Conditions imposed at pre-certification have been met	Yes
Executed utility PPA submitted	Yes
As-built plan set submitted	Yes
Final project cost information submitted	Yes
Status of utility interconnection upgrades and inspection submitted	Yes
Commercial Operation Date expected within 6 months	Yes

PA Recommendation

Recommendation: No_Reservations
 Recommendation Date: 1/27/2021

The project meets all certification requirements except the low-income subscription requirement, which is temporarily waived. The PM has agreed to meet the low-income requirement within 12 months of certification or be subject to a specified penalty.



Community Solar Certification Recommendation

Public Meeting Date: 2/11/21

Project Overview

Project ID:	PGE-2020-48		
Project Name:	Williams Acres		
Project Manager:	Neighborhood Power OR, LLC		
Site Address:	15018 Union School Rd NE	Woodburn	97071
Utility Territory:	Portland_General_Electric		
Project Size (kW-AC):	2502		
Applicable Designations :	Low Income	No	
	Workforce Diversity	No	
	Brownfield	No	
	Dual-Use Ag	No	
Development Entity Type:	LLC		
Projected COD:	2/12/2021		
Project Description:	2.502 MWac ground mounted PV system east of Woodburn in Marion County.		

Requirements Checklist (OAR 860-088-0050 and PIM Chapter 5)

Participant requirements:

≥ 5 different participants	Yes
≥ 50% project capacity subscribed/owned	Yes
≥ 10% capacity subscribed/owned by low-income participants	No
≤ 40% capacity subscribed/owned by single participant	Yes
< 50% capacity subscribed/owned by large commercial/industrial/irrigation	Yes
All participants verified as eligible	Yes

Project requirements:

Project has not changed materially since pre-certification	Yes
Conditions imposed at pre-certification have been met	Yes
Executed utility PPA submitted	Yes
As-built plan set submitted	Yes
Final project cost information submitted	Yes
Status of utility interconnection upgrades and inspection submitted	Yes
Commercial Operation Date expected within 6 months	Yes

PA Recommendation

Recommendation: No_Reservations
Recommendation Date: 1/27/2021

The project meets all certification requirements except the low-income subscription requirement, which is temporarily waived. The PM has agreed to meet the low-income requirement within 12 months of certification or be subject to a specified penalty.