

ORDER NO. 22-037

ENTERED Feb 10 2022

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1930

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Request to End Community Solar Program
Project Pre-Certification Pause.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on February 8, 2022, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.



BY THE COMMISSION:

A handwritten signature in blue ink, appearing to read "Nolan Moser".

Nolan Moser
Chief Administrative Law Judge

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 8, 2022**

REGULAR CONSENT EFFECTIVE DATE February 9, 2022

DATE: January 31, 2022

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)
Recommends ending Community Solar Program project pre-certification pause.

STAFF RECOMMENDATION:

End the Community Solar Program (CSP) project pre-certification pause to resume pre-certification of all remaining capacity across all tiers and reinstate the pause in an additional twenty-four months to determine appropriate next steps if the amount of CSP capacity subscribed and billing is not sufficient to recover the Program's ongoing costs.

DISCUSSION:

Issue

Whether the Commission should end the Community Solar Program project pre-certification pause to resume pre-certification of all remaining capacity across all tiers and reinstate the pause in an additional twenty-four months to determine appropriate next steps if the amount of CSP capacity subscribed and billing is not sufficient to recover the Program's ongoing costs.

Applicable Rule or Law

Section 22 of Senate Bill (SB) 1547, effective March 8, 2016, and codified in Oregon Revised Statute (ORS) 757.386, directs the OPUC to establish a community solar program (hereinafter referred to as "Program", or "CSP").

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On June 29, 2017, the Commission adopted formal rules for Oregon's Community Solar Program under Oregon Administrative Rules (OAR) Division 88 of Chapter 860.

On November 8, 2019, the Commission issued Order No. 19-392, which approved final elements for the Community Solar Program and release of the interim capacity tier. This Order included an automatic pause to the Program's project pre-certification process that would take effect twenty-four months after the launch of pre-certification if the Program did not have 80 megawatts (MW) of capacity subscribed and billing.

On September 27, 2021, the Commission issued Order No. 21-317, which approved the release of the remainder of the initial capacity tier and additional Program policy changes.

Analysis

Background

The Commission Order No. 19-392 included an automatic pause to the Program's project pre-certification process that would take effect twenty-four months following the launch of pre-certification in 2020 if the Program did not have 80 MW of capacity subscribed and billing. The automatic pause was intended as an opportunity for the Commission to evaluate Program costs and to serve as an "off ramp" if Program costs became unsustainable.

Staff's 2019 recommendation to the Commission initially proposed setting administrative fees at levels that aimed to make the Program self-sufficient in the interim capacity tier. To reduce the administrative costs for individual participants, the Commission chose to spread the ongoing costs of the CSP over the full 160 MW of the initial capacity tier.

The twenty-four month period for the program to have 80 MW of capacity subscribed and billing ended January 22, 2022, which triggered the pause. As of that date, there was a total of four certified and operating projects in the Program, three of which began generating administrative fees in the second and third quarters of 2021. Currently fifteen additional pre-certified projects in the interim capacity tier are scheduled to come online in 2022, followed by sixteen projects in 2023. As a result, Staff anticipates the Program to have approximately 62 MW of interim tier capacity online by the end of 2023. As these projects come online, the aggregate fees generated will increasingly cover costs of the Program Administrator. However, because the full 160 MW of capacity is needed to support the Program's ongoing costs and Order No. 19-392 allocated only 82 MW of Program capacity, the CSP is unable to support ongoing costs without the remainder of the initial capacity tier subscribed and billing.

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In Order No. 21-317, the Commission authorized opening the remaining 79 MW of Program capacity. The launch of this additional capacity is scheduled to occur in Q1 of 2022. Staff believes that this additional capacity will permit the Program to support its ongoing costs within an additional twenty-four months.

Stakeholder Input

On December 23, 2021, Staff requested public comments regarding Staff's recommendation. Staff received comments from OSSIA, which indicated support for ending the pause and reinstating it on January 22, 2024, if the capacity subscribed and billing is not sufficient to recover the Program's ongoing costs.

Conclusion

Staff seeks to preserve the intent of the pre-certification pause in Order No 19-392 while also providing adequate time for projects to come online and generate sufficient administrative fees as envisioned by the Commission. Staff recommends: a) ending the pause on project pre-certifications that began January 22, 2022, in order to resume pre-certification for the remaining capacity of the initial tier; and b) reinstating the pause so that it would take effect January 22, 2024, if the amount of CSP capacity subscribed and billing is not sufficient to recover the Program's ongoing costs.

PROPOSED COMMISSION MOTION:

End the Community Solar Program project pre-certification pause to resume pre-certification of all remaining capacity across all tiers and reinstate the pause in an additional twenty-four months to determine appropriate next steps if the amount of CSP capacity subscribed and billing is not sufficient to recover the Program's ongoing costs.

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