

Renewable Energy Advisory Council Agenda

Wednesday, May 22, 2019: 9:30 a.m. – Noon

In-person participation: Energy Trust conference room Megawatt,
421 SW Oak St., Suite 300, Portland, OR 97204

Remote, video participation: <https://global.gotomeeting.com/join/260745893>, or
+1 (646) 749-3112, Access Code: 260-745-893

9:30	Welcome, introductions, announcements	Information
9:35	Communication updates between RAC and board	Information
9:40	Discussion about how Energy Trust might consider providing incentives to community solar projects	Discussion
	<ul style="list-style-type: none"> • Staff will seek feedback and input from the RAC and guests about questions related to the idea of Energy Trust providing incentives to community solar projects under 360 kW • A memo providing background and outlining the questions is attached 	
11:00	Break	
11:10	Business planning: Draft 2020 Organizational Goals	Discussion
	<ul style="list-style-type: none"> • Staff will seek feedback and input on draft Organizational Goals for the 2020 budget year. See attached handouts. 	
11:50	Public comment	
12:00	Adjourn	

You can view this agenda and notes from previous meetings at:

<http://www.energytrust.org/about/public-meetings/renewable-energy-advisory-council-meetings/>.

If you have comments on meeting notes, please alert Jed Jorgensen at jed.jorgensen@energytrust.org.

Next RAC meeting:

Wednesday, June 26, 2019

Community Solar Incentives and Energy Trust: Questions and Considerations for the Renewable Energy Advisory Council

May 22, 2019

Over the past several years, Energy Trust has received questions from solar market actors and others about whether we will offer incentives to community solar projects once the new Oregon Community Solar Program is up and running. Until recently, the question was moot because the legislation that created the program specified that RECs would stay with program participants and Energy Trust's board-adopted REC policy required Energy Trust to take title to some or all RECs from projects it funds.

In response to requests and concerns from stakeholders, Energy Trust's board reconsidered its policy on RECs and amended it. The change, effective December 2018, allows Energy Trust to fund projects 360 kW and less without taking title to RECs¹ and allows the RECs from those smaller systems to stay with the project owner. That change now enables Energy Trust to consider the potential merits and consequences of providing incentive funds to community solar projects under 360 kW as long as the projects meet all of the qualifications of Energy Trust's existing policies. Such considerations include examining questions about goals Energy Trust might achieve by providing incentives for these projects and what trade-offs would need to be made if we were to set aside budget for community solar incentives.

Over the coming months, Energy Trust will seek feedback on these considerations from the OPUC, utilities, RAC and other interested stakeholders. The schedule for RAC meeting discussions is as follows:

May 22: Discussion about what role Energy Trust might play in the community solar market, potential benefits and challenges to our offering incentives, and considerations to examine (see questions below).

June 26: Follow up, if needed, to discuss feedback from others and additional consultation on considerations.

If feedback from the RAC and others supports providing incentives for community solar projects, budget priorities and allocations would be reviewed, again with OPUC, utility, RAC and other stakeholder input, as part of our 2020 budget development and approval process according to this draft schedule:

Sep 18: Staff will present budget concepts reflecting the priorities from the RAC. The RAC will have the opportunity to further weigh in on budget allocation concepts and any other issues related to incentives for community solar that have come up.

¹ The policy requires that projects be physically or virtually net-metered or otherwise use the energy on-site. Project owners must also agree to maintain ownership of RECs over the operational life of the system. The policy is available in its entirety here: <https://www.energytrust.org/wp-content/uploads/2016/11/4.15.000-P.pdf>

Date TBD: Staff will present budget numbers that show specific amounts of funding set aside for various parts of the 2020 budget, potentially including community solar incentives. Staff will be able to discuss how many projects could be funded at various levels of funding. Depending on the level of detail and the amount of discussion needed, this will take place either at the currently scheduled RAC meeting on October 11 or at the budget workshop on October 16.

For the first RAC discussion on May 22, staff will seek input on the following questions:

- What benefits could Energy Trust's incentives bring to the community solar market? In what ways might we be needed?
- Could there be any disadvantages to our providing incentives for community solar projects? What might those be?
- Are there categories of community solar projects that need Energy Trust incentive assistance more than others? Which and why?
- If Energy Trust were to provide incentives for community solar projects, how should the available budget for incentives be prioritized between the existing Solar program and the funding provided to support hydropower and biopower projects? What factors should we consider in how we allocate incentive funds?
- Do RAC members have concerns about Energy Trust playing two roles in the community solar program? Energy Trust is a sub-contractor to Energy Solutions which is the program administrator. If Energy Trust also provides incentives, would there be concerns in the solar community? If so, how might those concerns be addressed?
 - For example, Energy Trust currently conducts a technical review of projects applying for an incentive. If the community solar program also requires a technical review, does the community solar review "count" for Energy Trust, assuming it meets the same standards? If so, should the community solar program and Energy Trust split the cost?

To help the RAC consider these questions, some basic shared information on Energy Trust's renewable energy programs may be useful.

Budget

Energy Trust's budget for renewable energy projects is a fixed percentage of the public purpose charge. No new or additional funding is available to cover new markets such as community solar. The incentive budget totals approximately \$11.2 million annually from PGE and Pacific Power combined. This funding is divided between the solar budget and the budget for hydro and biopower projects. Funding for solar is further sub-divided between commercial and residential incentives.

Currently, solar incentives stand at \$0.40/watt for residential and between \$0.20/watt and \$0.50/watt for commercial projects, depending on project size. We provide incentives for commercial projects up to \$40,000 for a 200 kW-DC (about 160 kW-AC) system in PGE territory and \$25,000 for a 125 kW-DC (about 100 kW-AC) system in Pacific Power territory. Projects up to twice those size caps may apply for the same maximum incentives. Projects above those maximum eligible size limits (PGE: >400 kW-DC, Pacific Power: >250 kW-DC) do not receive an incentive.

Above-market cost

Energy Trust can provide incentives for up to 100% of the “above-market cost” of a renewable energy project. When calculating a project’s above-market cost, staff look at the difference between the present value of the project’s costs (upfront and ongoing) and revenues (energy sales or reduced electric bills). Tax credits, grants and other incentives reduce a project’s cost and therefore reduce its above-market cost. If the decision is made to provide incentives for community solar projects, staff would need to gather financial information on projects that seek incentive funding, including equipment and development costs, subscription costs and other information.

Energy Trust Draft 2020 Organizational Goals Small Group Discussion at CAC and RAC

May 22, 2019

As part of annual business planning, staff is in the process of developing 2020 Organizational Goals. These goals will guide us in developing initiatives and activities for 2020, which will ultimately be reflected in the 2020 action plans written this fall.

As this is a key input that will shape our budget and action plans for next year, we are looking for feedback from CAC and RAC on the goals. We will use your feedback and additional feedback from staff to revise and finalize them.

Draft 2020 Organizational Goals

1. Advance program solutions to attract more diverse customer participation, support higher value solar, sustain services for multifamily customers, push new building efficiency beyond code, and create future savings opportunities for residential and business customers.
2. Develop cost-conscious approaches that will support more intensive collaboration with communities, public agencies, utilities and other entities to produce customer participation and energy savings and generation over time.
3. Strengthen capability for innovation by exploring structural options and employing tools and resources to develop multiple promising innovation proposals for programs or operations.
4. Accomplish operations improvements that achieve specific time savings in key processes and enable core systems to support current and future business innovations.
5. Provide impartial, objective information and analysis to support implementation of local and statewide policies, with a particular focus on the Portland Clean Energy Community Benefits Fund and (*if passed in 2019*) the state's carbon emission reduction policies.

With these goals in mind, discuss the following four questions at your table, and capture your conversation in a 1-2 sentence description for each question. After 15 minutes, each table will report out to the full group.

Discussion Questions

1. Are these organizational goals meaningful to you and your organization? Are they at the right level? Should they represent the totality of what we do or should they highlight specific areas of focus for us in the coming year?
2. Do these goals reflect and advance Energy Trust's role?
3. How would you and your organization be impacted by these goals?
4. Is this the right way to engage you in establishing Energy Trust's organizational goals? Is there a different time or method we should consider to engage you most effectively?

To write your 1-2 sentence takeaway on each question, use the worksheet on the back.

Discussion Worksheet

1. Advance program solutions to attract more diverse customer participation, support higher value solar, sustain services for multifamily customers, push new building efficiency beyond code, and create future savings opportunities for residential and business customers.
2. Develop cost-conscious approaches that will support more intensive collaboration with communities, public agencies, utilities and other entities to produce customer participation and energy savings and generation over time.
3. Strengthen capability for innovation by exploring structural options and employing tools and resources to develop multiple promising innovation proposals for programs or operations.
4. Accomplish operations improvements that achieve specific time savings in key processes and enable core systems to support current and future business innovations.
5. Provide impartial, objective information and analysis to support implementation of local and statewide policies, with a particular focus on the Portland Clean Energy Community Benefits Fund and (*if passed in 2019*) the state's carbon emission reduction policies.