

Renewable Energy Advisory Council Meeting Notes

Wednesday, October 16, 2019

Attending from the council

Erik Anderson, Pacific Power
Josh Halley, Portland General Electric
Alexia Kelly, Electric Capital Management
(phone)
Anna Kim, Oregon Public Utility
Commission
Suzanne Leta, SunPower

Michael O'Brien
Rebecca Smith, Oregon Department of
Energy
Jaimes Valdez, Portland Clean Energy
Community Benefits Fund
Dick Wanderscheid, Bonneville
Environmental Foundation

Attending from Energy Trust

Shelly Carlton
Shayna Choulet
Ryan Cook
Grace Diller
Matt Getchell
Samuel Girma
Betsy Kauffman

Dave McClelland
Dave Moldal
Lizzie Rubado
Thaddeus Steerman
Julianne Thacher
Peter West

Others attending

Evan Ramsay, Bonneville Environmental
Foundation

Ryan Sheehy, Fleet Development (phone)

1. Welcome, Introductions, Reading

Dave McClelland called the meeting to order at 12:03 p.m. Staff provided an updated version of the Community Solar Development Assistance Briefing Memo for RAC members to review at the beginning of the meeting. Presentations and conversations began at 12:16 pm.

The agenda, notes and presentation materials are available on Energy Trust's website at: <https://www.energytrust.org/about/public-meetings/renewable-energy-advisory-council-meetings/>. The meeting was recorded on GoToMeeting. If you'd like to refer to the meeting recording for further detail on any of these topics, email info@energytrust.org.

2. Staff proposal for Community Solar development assistance incentives

Topic Summary

Staff reviewed the recent history of the community solar program and presented their proposed design and timing for development assistance incentives for public and nonprofit-led Community Solar projects.

Discussion

Staff fielded some clarifying questions, but quickly moved into full discussion.

3. Discussion on staff's Community Solar incentive proposal

Topic Summary

Staff gathered feedback on their proposal, facilitated a discussion on design choices and tradeoffs and addressed clarifying questions. Attendees provided feedback on prepared questions referenced in the briefing memo during the second half of the conversation. Feedback and discussion topics are grouped by theme below.

Discussion

Budget Allocation and Incentive Design

Members asked clarifying questions about general budget impact and the basis of the proposed incentive design (Jaimes Valdez, Suzanne Leta, Michael O'Brien). Staff explained that it was not necessary to de-prioritize or reduce funding for the standard program to be able to fund this offering. Staff also addressed the history of providing project development assistance in Other Renewables for more than ten years, and solar development assistance since 2018. Staff continued to explain that the incentive design elements included in the proposal (total amounts, percentages of cost, target audience) are a starting place. Staff want to evaluate key learnings as they go and adaptively manage the offering.

Members asked for clarification on the budget split between utilities (Josh Halley, Jaimes Valdez). Staff responded that a traditional split is likely on the installation incentives side (60% PGE, 40% Pacific Power), but the goal will be to have a more even split for development assistance, especially given the consideration that demand in Pacific Power territory is likely to be higher, and early development assistance funding is important. Members also asked how Energy Trust proposes to report on eligible activities (Evan Ramsay), to which staff responded that there would be an enrollment form and a line item evaluation by staff to approve specific activities and a reserved incentive amount. This raised the additional point that this process will enable Energy Trust to gain some key learnings about this market and how much this kind of work actually costs.

Eligible Services Covered

Staff and members discussed what services should be eligible to receive assistance funding (Jaimes Valdez, Michael O'Brien, Alexia Kelly, Evan Ramsay, Josh Halley, Erik Anderson). Generally, staff proposed covering expenses related to capacity-building, development and staff time related to advancing a specific project, or comparing and evaluating the merits of a short list of projects to identify a path forward. Conversations around ideation (cultivating interest in or coming up with ideas for new projects) and market development, while important, will need to be addressed separately from the current offering.

Members discussed the barriers around interconnection, zoning and permitting, and the variability of possible related expenses, and asked for clarification about whether fees are included as eligible expenses (Alexia Kelly, Jaimes Valdez, Evan Ramsay). Staff clarified that design and consultation expenses related to preparing and doing the work would be eligible, but not the explicit fees themselves.

Participant Roles and Priorities

Staff collected feedback on who should be eligible to apply for this funding. Members shared the early challenges many nonprofits and public entities may face in identifying a *Project Manager* (a specific, registered role in the Oregon Community Solar Program that comes with certain long-term duties and responsibilities) to apply for funding and deliver services. Identifying this role is a challenge simply from a resources and capacity standpoint (Alexia

Kelly, Jaimes Valdez). Members also shared the risk of working without a third-party project manager, given that the expertise does not exist in-house for most organizations. Communities and community-based organizations are interested in partnering with whomever will be able to help them get their project across the finish line (Alexia Kelly). Additionally, members discussed the potential concern for a for-profit entity using a non-profit to access funds that aren't intended for them (Erik Anderson). However, it was raised that no project is likely to be successful unless it finds a way to monetize the tax credits, implying that a third-party, private involvement may be necessary for any project, even if the project champion is not-for-profit (Ryan Sheehy).

Staff clarified that the initial intent of the Project Manager distinction is to mirror what was previously put forward by the Oregon Public Utility Commission, and that a "third-party" is someone who is not an employee of the Project Manager and is compensated for some services. Members raised the possibility of whether different caps on assistance funding raised equity concerns with regards to who is applying (Michael O'Brien). Staff were advised to not discriminate too much based on ownership or Project Manager and encouraged to consider opening access for development assistance to nonprofits in general who are interested in becoming "Project Managers," but haven't yet (Jaimes Valdez). Staff assured that if feedback and ongoing learnings drive Energy Trust to consider a different entity than the project manager, then that is a possibility.

Ongoing Learning and General Support

Members and staff both acknowledged that a great deal is unknown about this possible market, and we should remain flexible in the first year of this offering, and open to any entity that wants to step up and see if it works (Dick Wanderscheid). Members encouraged staff to consider metrics or questions that need to be answered a year from now, to frame a focus for key learnings (Josh Halley).

When asked if Energy Trust should be doing this and continue development, members responded in the affirmative (Jaimes Valdez, Evan Ramsay, Michael O'Brien). In response to an inquiry of whether Energy Trust had received any negative feedback on the proposal, staff responded that they had received none, and only had urging from the OPUC to remain cautious about possible roles crossing over. No members voiced any concerns about supporting development work for projects larger than 360kW-AC.

Next Steps

Staff will incorporate feedback and work to launch a revised version of the program design, reporting out to the RAC in November.

4. Public comment

There was no public comment.

5. Adjourn

The meeting adjourned at 1:30 p.m.

The final Renewable Energy Advisory Council meeting of the year will be held on November 20, 2019.