

Renewable Energy Advisory Council Meeting Notes

January 21, 2021

Attending from the council:

Andria Jacob, City of Portland
Anna Kim, Oregon Public Utility
Commission
April Snell, Oregon Water Resources
Congress
Brikky King, All Pacific Mortgage
Erik Anderson, Pacific Power
John Cornwell, Oregon Department of
Energy

Josh Halley, Portland General Electric
Josh Peterson, University of Oregon
Les Perkins, Farmers Irrigation District
Max Greene, Renewable NW
Raphaela Hsu-Flanders, Bonneville
Environmental Foundation
Suzanne Leta, SunPower

Attending from Energy Trust:

Betsy Kauffman
Dave McClelland
Caryn Appler
Alina Lambert
Dave Moldal
Gayle Roughton
Hannah Cruz
Jay Ward
Jeni Hall
Josh Reed
Julianne Thacher
Karen Chase

Kyle Petrocine
Lizzie Rubado
Matt Getchell
Robert Wyllie
Shayna Choulet
Shelly Carlton
Sue Fletcher
Thad Roth
Tyrone Henry

Others attending:

Alexia Kelly, Energy Trust board member
Henry Lorenzen, Energy Trust board
member
Christy Splitt, Oregon Department of Energy
Diane Henkels, Small Business Utility
Advocates
Elysia Treanor, Portland General Electric
Frank Vignola, Oregon Solar Radiation
Monitoring Lab
Heather Moline, NW Energy Coalition

Jed Jorgensen, Farmers Conservation
Alliance
Kacia Brockman, Oregon Public Utility
Commission
Tess Jordan, Portland General Electric
Wendy Simons, Oregon Department of
Energy
Zach Sippel, Elemental Energy

1. Welcome, Introductions and Announcements

Betsy Kauffman, sector lead for renewable energy, convened the meeting at 9:31 a.m. on Zoom. 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/>.

Betsy Kauffman mentioned a schedule conflict (Renewable Northwest's members' meeting) for the upcoming March 17 meeting and suggested moving it to March 18. She asked council members to alert her if there are problems associated with that schedule change.

2. Preview of 2021 Legislative Session

Topic summary

Hannah Cruz, senior communications manager with Energy Trust, provided information on energy-related bills known at this time that will be monitored by staff during Oregon's 2021 legislative session.

Bills related to energy include one that could modify the public purpose charge to, among other provisions, move energy efficiency funding dedicated through the charge into regulatory processes at the Oregon Public Utility Commission, allow investment in distribution system connected technology services and extend the sunset date for the charge through 2035. There are two bills related to the OPUC's ability to consider energy burden when setting rates. Some legislation related to solar include ODOE's agency budget request to increase the solar + storage rebate and a solar product stewardship program with manufacturers and retailers. The legislature is largely expected to focus on bills related to COVID-19 response, economic recovery and wildfire recovery, planning and prevention.

Discussion

Members asked if the public purpose charge bill would provide for more funding for solar + storage or Energy Trust's renewable energy budget (Suzanne Leta). Staff noted there isn't funding addressing storage specifically; there is funding toward technology that increases resiliency. At this point, the bill related to the public purpose charge looks to be keeping Energy Trust energy efficiency and renewable energy budgets largely intact. Members noted Solar Product Stewardship programs have been problematic historically in other states due to increased costs that weaken the market (Suzanne Leta). April Snell with Oregon Water Resources Congress said a bill not yet filed would expand options for community members to choose which energy sources would power their communities depending on their priorities. The stakeholders advancing the proposed legislation are doing preliminary outreach.

Next steps

None.

3. Solar Incentive Priorities for 2021

Topic summary

Dave McClelland, senior program manager, presented principles for setting solar incentives and new challenges due to budget constraints along with differences between Pacific Power and Portland General Electric territories. Principles include keeping incentives simple, keeping incentive dollars available throughout the year, using a portfolio approach, spreading incentives to more customers and assuring that the incentive amount is impactful to the project. Feedback is requested on strategies for addressing budget constraints for existing and new solar incentives.

Discussion

Members suggested exploring a production-based rather than a capacity-based incentive model as is done in other states. One member said using a production model would allow Energy Trust to utilize less of its budget for more MWhs produced (Suzanne Leta). The Volumetric Incentive Rate program may be an example of a similar structure in Oregon (Andria Jacob). Members and others at the meeting noted considerations for a production-based incentive model would be different amounts of production per kW of capacity in different parts of the state and challenges to implementation (Zach Sippel, Andria Jacob, Suzanne Leta). Staff acknowledges this approach may be worth exploring and more information is needed.

Staff asked about other subtopics that may be of interest to members. Members asked about the Solar Within Reach initiative and Community Solar Incentives (Suzanne Leta, Raphaela Hsu-Flanders). Staff said Solar Within Reach exceeded its original goals for 2020 and Community Solar incentives are still targeting a Q1 2021 launch. The recently announced federal ITC extension will help improve consistency and stability in the market.

Alexia Kelly, Energy Trust board director, suggested maintaining staff's current portfolio approach makes sense, but moving forward to look into reducing residential incentives and supporting commercial businesses through recovery.

Next steps

Staff will have additional conversations regarding a production-based incentive and follow up with members on timing for this.

4. Above Market Cost Policy Review*Topic summary*

Betsy Kauffman presented the Methodology for Calculating Above-Market Cost Policy that is scheduled for review this year. Staff is proposing changes to clarify equity and inclusivity goals for all customers. The policy specifies the calculation for the above-market cost for projects, which sets the upper limit for incentives. Changes would need to be approved by the board.

Discussion

Members discussed the various elements of project cost including site acquisition, licensing, inspections, grant funding and interest on financing (Raphaela Hsu-Flanders, Brikky King). Alexia Kelly inquired about differences in customer segments and why tax credits may not apply to all customers. Staff noted as Energy Trust incentives increase, there are reductions in the tax credit for customers to capture.

Alexia Kelly asked if storage is included in the definition of renewable energy projects. Funding may be provided for projects that have storage attached to them, and potentially storage will be an additional project cost in the future. Storage is recommended for community resilience and grid benefits. Energy Trust may have involvement in renewable natural gas projects' however the funding for these projects is provided by gas utilities.

Next steps

Staff to determine the current proposed changes in the Above-Market Cost Policy will not prevent future incentives for projects that include storage. The board's Policy Committee will review staff recommendations for changes.

5. Public Comment

There was no public comment.

6. Video

Staff invited members to watch a video on a recent hydro project at the site of a pressure reduction valve in the Hillsboro water system near the Gordon Faber Recreation Center (<https://www.inpipeenergy.com/>).

7. Adjourn

The meeting adjourned at 11:35 a.m.