Renewable Energy Advisory Council Agenda

Virtual meeting via Zoom
Wednesday, July, 27 2022
9:30 – 12:00 p.m.

To join the Zoom meeting, you will need to register in advance:
https://us06web.zoom.us/meeting/register/tZErfumtpzMoGNf15vwNqNaORSaSv87cMeOc
After registering, you will receive a confirmation email containing information about joining the meeting.

9:30 **Welcome and Announcements**

9:45 **2023 Action Planning: Deep Dive into Priority Topics** *(engagement and discussion)*
This is the second of three engagements with RAC in 2022 as we plan for 2023-2024 renewable energy services and incentives.

During the first session in April, we gathered the council's thoughts on the clean energy industry, including customer needs and emerging opportunities. During this second session, staff have identified two relevant topics to explore with the council in more detail with a focus on solutions:

Topic 1: How might we provide meaningful benefits to customers with low and moderate incomes, communities of color, tribal communities and rural communities to meet both our equity goals and the HB 3141 low-income spending requirement?

Topic 2: How might we help customers recognize the full range of clean energy benefits to help them access renewable energy and resilience opportunities?

12:00 **Adjourn**

You can view this agenda and notes from previous meetings at: energytrust.org/about/public-meetings.
If you have comments on meeting notes, please email Robert Wyllie.

Next meeting: The next RAC will take place on Wednesday, September 14th.

Memo

To: Renewable Energy Advisory Council

From: Energy Trust renewable energy sector staff

Date: July 27, 2022

Re: Deep dive budgeting and planning workshop

Purpose: At the July 27 RAC meeting, staff will continue to engage RAC members in the 2023-24 budgeting and planning process by gathering in-depth input on specific topics. This document provides background information to review in advance, along with context and discussion questions.

Background: In 2021, we received guidance from communities, key stakeholders and the state legislature to continue to increase support for groups Energy Trust has historically underserved, including people experiencing low- to moderate-incomes, BIPOC (Black, Indigenous and people of color) customers, tribal communities and customers living in rural areas. Our sector is also shifting focus to advanced technologies that support community energy resilience and grid flexibility. House Bill 3141, passed a year ago, requires the renewable sector to spend at least 25% of revenue to benefit customers with low- and moderate-incomes. The bill also enables us to support "distribution-system connected technologies that support the reliability, resilience, and the integration of renewable energy resources," preliminarily defined by the OPUC as smart inverters and smart battery energy storage systems. All these opportunities create the need for trade-offs as new priorities compete for a fixed annual budget and limited staff time.

To respond to the legislative intent and manage our fixed annual budget, staff have reduced incentive support for standard solar projects, while increasing incentives for our equity offerings and building partnerships with utilities to support advanced renewable technologies. This shift has been helped by sustained high customer interest in solar despite reduced incentives and supply chain delays. Many residential solar projects go forward without Energy Trust incentives.

Customer interest in hydropower and biomass/biogas projects is also high, driven by sustainability and resilience goals and a desire to control energy costs. Energy Trust continues to build a pipeline of projects through feasibility studies and technical assistance. While biogas projects at water resource recovery facilities continue to move forward, market conditions for small hydropower projects, especially projects that are not net-metered and need to enter into a power purchase agreement with the utility, are increasingly challenging. Projects need additional funding sources to succeed.

The pace and scale of change in the renewable energy industry and markets are increasing. Energy Trust supports a portfolio of technologies, and over the last 20 years the variety of offers, the types of customers served, and the range of customer needs have substantially increased. New product offers and services have been developed and deployed over time in response to identified gaps in the market and customer needs. Building from the foundation of successful program delivery infrastructure, multiple equity offers, different types of project assistance, deepening utility collaboration, coaching services for nonprofits, integration with energy efficiency offers, regional convening, and irrigation

modernization support have been added to our portfolio of prescriptive incentives for solar and custom services for biopower and hydropower projects.

Despite the changes described above, staff have been consistent about the tools used (incentive payments, technical assistance, partnerships) and our bottom-line goal of achieving a certain amount of generation. Some stakeholders have suggested expanding the tools in the toolbox to include loans and measuring success in new ways such as number of people or communities served, dollars deployed, or other measures in addition to or instead of the renewable generation goal.

Discussion topic #1: Equity and Expanding Access – HB 3141 and Beyond

We would like to hear your thoughts on this key question:

How might we provide meaningful benefits to customers experiencing low- and moderate-incomes, communities of color, tribal communities and rural communities to meet both our equity goals and the HB 3141 spending requirement?

- How can we more deeply serve customers with low and moderate incomes?
- In the context of the 25% spending requirement, what does success look like in three years?

Context: The renewable energy sector has several offers and initiatives to support expanding the benefits of renewable energy to all Oregonians, including Solar Within Reach (enhanced incentives for homeowners with low and moderate incomes) and increased incentives for affordable multifamily properties, tribes and qualifying nonprofits. We support community solar projects in a variety of ways, including a new coaching pathway for nonprofits that want to explore community solar. Solar Within Reach and some community solar projects currently count towards the HB 3141 requirement that 25% of renewable energy revenue by spent on customers with low- and moderate-incomes, however it is worth noting the sector's equity work goes beyond this support for projects that directly benefit customers with low and moderate incomes.

Direction we are planning to take in 2023-2024: Given the legislative mandate, our priority is meeting the 25% LMI spending requirement. The strong pipeline of Solar Within Reach applications has put us on a path to meet the metric in 2022, with higher spending on low- and moderate-income activities in PGE territory balancing out lower spending in Pacific Power territory. For 2023, we plan to continue these program offers and we are also exploring opportunities to expand access to more customers. These plans align with direction we received from the RAC.

Customers that take advantage of Solar Within Reach incentives are predominantly those with moderate incomes. To expand adoption of Solar Within Reach by homeowners with low incomes, we are planning to expand our offer and increase Solar Within Reach incentive rates for solar installed on affordable new single-family homes enrolled in Energy Trust EPS new construction. To expand access to the benefits of solar for renters with low incomes, we are planning to offer custom incentives for larger-scale community solar projects that increase their share of low-income subscriber capacity. To help the sector understand and address barriers to solar adoption for BIPOC customers, with funding from the National Renewable Energy Laboratory (NREL) and in partnership with several community-based organizations, we are exploring culturally specific education focused on communities of color with our Solar Ambassadors initiative.

Because of its flexibility and ability to provide direct benefits to individual customers, solar lends itself well to meeting equity goals. Although biopower and hydropower projects also provide benefits to communities, drawing the line to direct benefit to customers with low- and moderate-incomes is more difficult, but important to consider.

Discussion topic #2: Resilience, Flexibility and Expanding Value

<u>We would like to hear your thoughts on this key question</u>:

How might we help customers understand the full range of benefits that renewable energy projects can provide and help them access resources and funding opportunities?

- How do we measure success in addition to achieving generation?
- What aren't we doing that you believe we are uniquely positioned to do to advance renewable energy and energy resilience project development to address customer needs?
- How might we make it easier for customers (including municipalities) to identify projects and access funding to make them happen?

<u>Context:</u> Renewable energy projects when paired with battery storage and controls become microgrids that can support community energy resilience in addition to decreasing monthly operating costs and serving communities' carbon reduction goals. These technologies also offer utilities grid services or flexibility.

Customers, from residential customers to municipalities, are interested in resilience in the wake of wildfires and extreme weather events. Many communities see resilience as part of their overall environmental justice and climate planning strategies.

To follow the direction provided by HB 3141, as well as customer interest and utility needs, Energy Trust is building capability from our existing program infrastructure to support "customer investments in distribution system-connected technologies that support reliability, resilience and the integration of renewable energy resources into the distribution system." Effective deployment for either community resilience or grid services requires identifying locations in the community where projects should be placed to maximize value and supporting customer adoption in those identified locations. Our fixed annual budget and the increased above market cost of incorporating battery storage systems into renewable energy projects requires identifying additional funding sources, beyond the typical incentives and grants, that communities can access to monetize the value of resilience. Energy Trust also needs to collaborate with utilities to understand their changing needs and to ensure that the "customer investments in distribution system-connected technologies" can support the virtual power plants utilities are building in response to OPUC guidance.

<u>Direction we are planning to take in 2023-2024</u>: **<u>:</u>** Energy Trust has an opportunity to promote adoption of grid-connected technologies by coordinating with utilities, communities and the OPUC, setting expectations for acceptable project design, and educating customers and trade ally contractors about the technologies. Energy Trust is currently executing contracts with PGE on a Smart Battery Pilot and Smart Inverter Demonstration project. This is an opportunity for learning. We are also participating in the Distribution System Planning (UM 2005) docket that will help identify areas where renewable energy can serve grid needs and provide greater locational value. Additionally, we have been working with communities to understand their goals for energy resilience. To expand that work we have applied for FEMA grant funding to support a

three-year effort to create a pipeline of projects that can both support vulnerable communities and provide benefits to the local utility grid.