

Renewable Energy Advisory Council Agenda

Virtual meeting via Zoom

Wednesday, July 29, 2020

9:30 – 11:30 a.m.

To join the Zoom meeting, you will need to register in advance:

<https://zoom.us/join/zoom/register/tJltdeCvrjotHdds7scQG5lxdKxhXasge8PR>

After registering, you will receive a confirmation email containing information about joining the meeting.

9:30 Welcome

- Zoom housekeeping info
- Introductions and hello

9:40 Community Engagement Guidelines Development *(discussion)*

Staff will present development to-date in establishing Community Engagement Guidelines for the organization. These guidelines will be used by staff in determining with a community how Energy Trust can support their clean energy goals. This will be an interactive session to get your feedback.

10:10 Energy Trust's Role in PGE Smart Battery Pilot *(information)*

Staff will provide an update on the role the Solar program will be playing to support PGE's residential battery storage pilot.

10:25 Five-minute break to stretch your legs

10:30 Solar for Service Providers Proposal *(discussion)*

The Solar program is proposing a new, increased incentive offer for organizations, tribes and businesses that house, feed or provide other services to Oregon communities of color and/or Oregonians with lower incomes. Staff will present the proposal and seek feedback.

11:25 Public Comment

11:30 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 [David McClelland](mailto:David.McClelland@energytrust.org).

Next RAC meeting: Wednesday, September 16, 2020, at 9:30 a.m.

Briefing Memo

Proposal: Solar for Service Providers – increased incentives for entities supporting diverse communities

The Solar program is proposing a new installation incentive offer for organizations, tribes and businesses that house, feed or provide other services to Oregon communities of color and/or Oregonians with lower incomes.

The objective is to expand access to solar and foster a more equitable solar market by providing greater funding for organizations and businesses that support people of color and/or people with lower incomes. These customers face additional financial and market barriers to installing solar. As one step to address these barriers, we propose a standard-offer incentive that would cover about half of the upfront cost of a solar project for eligible service providers.

Incentive proposal

Energy Trust proposes a flat-rate, capacity-based incentive up to a fixed maximum incentive amount.

<u>Portland General Electric</u>	\$1.50/W-DC up to \$150,000 (at 100 kW-DC)
	Project Size Maximum: <360 kW-AC (about 480 kW-DC)
<u>Pacific Power</u>	\$1.25/W-DC up to \$125,000 (at 100 kW-DC)
	Project Size Maximum: <360 kW-AC (about 480 kW-DC)

These incentives are three-to-five times larger than standard business incentives and cover about half of typical project costs. Customers could combine the incentive with other funding sources such as utility, private or public grants. Here are some sample numbers:

Project size	Annual generation from solar	Typical total upfront cost	Solar for Service Providers Incentive
25 kW	30,000 kWh	\$75,000	\$37,500 (PGE) \$31,250 (PAC)
40 kW	48,000 kWh	\$120,000	\$60,000 (PGE) \$50,000 (PAC)
100 kW	120,000 kWh	\$300,000	\$150,000 (PGE) \$125,000 (PAC)

Eligibility

To qualify for this offer, the customer must meet the following eligibility requirements:

- Projects must deliver benefits for one of the following:
 - Affordable multifamily housing (at least 50% of the dwelling units must be at or below 80% area median income and these units must remain affordable for a period of 10 years)
 - Non-profit/public organizations providing services for people with low incomes
 - Non-profit/public organizations providing services for communities of color
 - Tribes
 - Businesses with majority ownership by women or people of color
- Contract signed after 4/15/2020
- Maximum Project Size: <360 kW-AC (about 480 kW-DC)
- Customers of Portland General Electric or Pacific Power
- May be existing or new construction

Application process

Like all Energy Trust solar offers, the project must be installed by a solar contractor that is an approved member of the trade ally network. The increased incentives will be available through the standard online incentive system. The application and all accompanying paperwork will be completed and submitted by the customer's trade ally contractor, on behalf of the customer. The customer will sign a simple, one-page eligibility affidavit as part of the application.

Budget

We anticipate launching this offer by the end of Q3 and having approximately \$1.5-\$2.0 million available over the next 12 months. We expect to support about 20 to 40 projects with this offer in the first year.

Assumptions

We made the following assumptions in setting these incentive rates.

Eligibility and focus:

- People with low incomes face multiple barriers to benefitting from solar, including the upfront cost, competing priorities, lower awareness of solar and a lack of relevant marketing and education. Communities of color face additional barriers from systemic inequalities. Expanding access will require addressing all of these barriers over time. Helping the organizations that serve and support these customers is a key way to overcome awareness barriers and foster access.
- The focus of this offer is the upfront cost. We learned through our solar innovation grants that education and capacity building are important, but only go so far if sufficient funding is not available.
- Once this offer is in place, additional outreach and tailored marketing will be necessary.

- Incentives will be available on a first-come, first-served basis. Once the current allocation of funding is reserved, future incentive funds may be offered at the same rate or a new rate. The intent will be to provide a stable offering with moderate incentive reductions over time.
- All trade allies will be eligible to provide this offer to their customers.

Project costs and other funding sources:

- Project costs will be in a similar range as recent public and nonprofit projects. These projects have higher costs on average than standard commercial projects.
- Projects typically will not be able to take advantage of Investment Tax Credits or will require more expensive financial mechanisms to do so.
- Some projects that successfully pursue additional grants may have most or all of the upfront project costs covered by the combination of incentives and grants.
- As with our current standard offer incentives, projects that pursue both utility grants (Renewable Development Fund or Blue Sky Community Grants) and an Energy Trust incentive will be screened through our Solar Development Assistance process.
- The program will monitor above-market costs on a portfolio basis and will make adjustments for future incentive changes as needed.

Questions for Discussion

1. Are the eligibility criteria appropriate, given the objectives of the offer?
2. What input do you have on the definitions of the eligible customers?
3. Are there gaps in the assumptions?
4. What recommendations do you have for how Energy Trust and trade allies can engage potential customers and support their participation?