Oregon Community Solar Program
+
U.S. DOE SunShot In Your Community Challenge

2017 Fall Energy Symposium

October 16-17, 2017
Hood River, Oregon
A U.S. Department of Energy prize challenge that “aims to expand solar electricity access to all Americans, especially underserved segments such as low- and moderate-income households, state, local, and tribal governments, and non profit organizations.”

- 18 month competition with $5 million in cash prizes and technical assistance for teams across the U.S.

- Seed money is granted to selected teams, with additional funding when milestones are met.
Making Energy Work Team Overview

- **Goal:** To Pilot, Refine and Replicate Emerging Community-Finance Models across Oregon. Focus on rural nonprofit and public facilities serving low and middle income customers.

- **Team:** Sustainable Northwest and the communities of Douglas, Lake and Hood River Counties.

- **Deliverables:** 10 projects by 2018, 20 by 2020. Identify sites for community solar in each county, and partnerships for 10% LMI carveout. Advance finance models to be paired with each project.
Community Finance Models

• **Oregon Clean Power Cooperative**: Crowd sources funding for public facilities through a cooperative.

• **Low Income Affordable Housing**: Leverages funding from philanthropic dollars and local Community Action Partner (CAP) with heating assistance dollars.

• **Two-Party Structure**: Public facility hosts the site. Investor owns the project for 7-10 years until tax equity fully utilized, host facility then buys back the project for the remainder of the project lifespan.

• **Community Solar Program**: To provide owners and subscribers the opportunity to share the costs and benefits associated with the generation of electricity by the solar photovoltaic energy systems. Direct bill credit.
“Community solar project” means one or more solar photovoltaic energy systems that provide owners and subscribers the opportunity to share the costs and benefits associated with the generation of electricity by the solar photovoltaic energy systems. (Section 22.(1))

- Projects must be in PGE, Pacific Power or Idaho Power territory
- 3MW max per project, 25kW minimum
- At least 5 subscribers, none may subscribe to >40% of capacity
- 50% reserved for residential, small commercial
- 10% low income residential
- Generation subscription benefit through a bill credit
March 2016: Legislation created Community Solar program through SB 1547. Sent to Oregon PUC for rulemaking, docket AR 603.

July 2017: Oregon PUC published final rules, laid out governance structure:
- Program Administrator
- Low Income Community Manager

Early 2018: RFP for Program Administrator published

2019: Launch of Community Solar program
Preparing Today

- Explore potential site locations in your community
- Identify potential anchor subscribers, including city and county government
- Participate in Public Utility Commission stakeholder engagement process
  - Join the AR 603 list serve
  - Next meeting October 19th and 27th
- Look to other communities currently exploring community solar in Oregon for best practices and templates (Verde based in Portland, OR)
Thank you!

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Community Based Models

Community Group Purchasing

Offsite Shared Solar

Onsite Shared Solar (Multi-Unit Building)

Community-Driven Financial Models

NREL
Next Steps

Lake, Douglas, and Hood River Counties are currently identifying non-profit or municipal buildings to pursue community solar.

- **Hood River**: City Fleet facility using Oregon Clean Power Cooperative to install 30KW. Coop funds raised. Install June or July 2017. Installer taking ITC.

- **Douglas County**: Working with architect and facilities manager on potential Head Start new construction facility. Also, seeking a partnership to pursue a SB 1547 1 MW project.

- **Lakeview**: Looking into 4 potential projects: Warner Creek Correctional Facility, Hospital, School/Learning Innovation center and Public Library.
Community Solar with SB 1547

Oregon Community Solar Model – Draft Rules
April 2017

- Construction + O&M
- Community Solar Project
- Energy to Utility
- REGs
- CS Bill Credit Rate minus Admin fees
- Subscriber Information and Management
- 20 Year PPA for Unreserved Energy up to 10%

Design by Northwest SEED
Cooperative Model

Crowd sources funding for public facilities through a cooperative.

- Oregon resident joins the Co-op
- Members invest in project
- Other organizations invest in project
- Co-op builds and owns solar array, sells power
- Church, school, library, etc. gets solar panels
- Co-op pays back members
OCPC Cash Flow & Contracts: Financing / Construction Phase

- **Host organization**
- **Individual Co-op Member (Non-Accredited)**
  - Investment limit: 10% of liquid net worth
- **Individual Co-op Member (Accredited)**
  - Investment limit: none
- **Power Purchase Agreement (PPA)**
- **Solar equipment installed**
- **Installer / Tax equity Investor**
- **Preferred Stock**
- **Loan**
- **ETO incentive**
- **Other grants**
OCPC Cash Flows: Operation / Repayment Phase

- Host organization
- Payments for power under PPA
- Preferred Stock dividends / redemption
- Individual Co-op Member (Non-Accredited) Investment limit: 10% of liquid net worth
- Individual Co-op Member (Accredited) Investment limit: none
- Maintenance
- Loan payments
- Equipment Lease payments
- Installer / Tax equity Investor
- Tax credits
## SunShot: Funding Timeline

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<thead>
<tr>
<th>Distribution</th>
<th>Seed Award Amount</th>
<th>Verified Milestone</th>
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<tbody>
<tr>
<td>% of total $</td>
<td>&lt;100kW portfolios</td>
<td>≥100kW portfolios</td>
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<tr>
<td><strong>Round 1: Selection</strong></td>
<td></td>
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<tr>
<td>30%</td>
<td>$6,000</td>
<td>$15,000</td>
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<tr>
<td><strong>Round 2: Permission</strong></td>
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<tr>
<td>30%</td>
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<td>$15,000</td>
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<tr>
<td><strong>Round 3: Financing</strong></td>
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<tr>
<td>40%</td>
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<tr>
<td><strong>LMI Bonus</strong></td>
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<tr>
<td>+20% bonus</td>
<td>$4,000</td>
<td>$10,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<td>$60,000</td>
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