

REWG's Community Caucus Report

Presented to Oregon's Renewable Energy Working Group, July 11th, 2006

The REWG should make recommendations to the Governor that pursue the benefits of both large-scale generation systems (like central station wind or geothermal) and community renewables (like solar, biomass, small hydro, geothermal and community wind). Neither approach by itself will achieve the optimal outcome of a sustainable energy system with broad statewide support.

Importance of Community Renewables

1. Community Renewables diversify Oregon's energy portfolio, providing increased system stability and reliability, and improved energy efficiency and environmental benefits.
2. Community Renewables create enhanced economic opportunities throughout Oregon and keep more energy dollars within the state.
3. Community Renewables keep Oregon competitive in emerging renewable energy industries.

Proposed Necessary Actions by the Legislature

1. Focus the renewable energy portion of the Public Purpose Charge (PPC) on funding a mix of community projects of 20 MW or less. Require the OPUC to ensure that implementation of PPC programs reflects this change in focus.
2. Endorse the OPUC's Legislative Concept to extend the PPC funding through the year 2022 or extend the PPC funding through 2025 to be consistent with the RPS policy.
3. Endorse the OPUC's Legislative Concept to authorize the OPUC to increase the PPC funding beyond the current 3% to provide more funding for renewables (currently at 0.51 percent) without taking money away from valuable energy efficiency projects. Furthermore, the 3% should be set as a floor below which the PPC should not be reduced.
4. Propose an Oregon version of the PURPA-type requirement that utilities have to purchase the power from projects of qualifying renewable projects of 10 MW or less using standard contracts, and over 10 to 20 MW using non-standard contracts. Such requirements would be regulated by the OPUC.
5. Require the OPUC to modify policies and procedures as appropriate to meet a goal of generating at least 8% of Oregon's electricity from a mix of community renewables by 2025.
6. Establish statewide uniform interconnection and enhanced net metering standards.

Process

The Community Caucus met extensively to discuss major barriers to significant development of community-scale renewable energy, as well as various policy changes to address those barriers. The Caucus considered several major policy concepts that would be new policy directions for Oregon. We discussed an 8 percent carve-out setting aside a portion of a Renewable Portfolio Standard for community-scale renewable energy, as other states have used, with a separate cost cap from the overall RPS cost cap. We also considered an advanced renewable tariff (ART), as European countries have used. The Community Caucus believes that neither policy is ideal for Oregon. Instead, we are proposing an Enhanced Public Purpose Charge consisting of incremental changes to the existing Public Purposes Charge (actions 1-3) combined with 3 other necessary actions.