

Solar Policy Tasks

Recommendations for the Renewable Energy Working Group
by the Oregon Solar Coalition

This document was developed by in consultation with the members of the Oregon Solar Coalition to provide the Renewable Energy Working Group (REWG) with a short list of key steps that should be taken to advance solar photovoltaic (PV) and solar thermal (ST) businesses in Oregon. The REWG should consider to take action on each of the following items.

1. Workforce Development

The combined efforts of the Energy Trust of Oregon (ETO) and the Oregon Department of Energy (ODOE), Lane Community College (LCC) and the Oregon Solar Energy Industries Association (OSEIA) have established fledgling workforce training and development programs. The problem is that the industry is spread across the entire state without sufficient training opportunities for those unable to access training in Eugene or take time off during normal business hours.

Specific Action Needed – Recommend state workforce development grants be used for training programs that can build a qualified workforce across the state. Special emphasis should be given to those programs that can enable distance or non-work hour education and involve current higher education and research centers.

2. Improve Net Metering

Annualized net metering is simpler and less costly to administer than monthly programs. It enables consumers using a seasonal resource like solar to bank summer surplus credit to meet winter time energy use. Annualized net metering is available in 2/3rds of the states that currently offer net metering. It is essential for widespread market adoption of utility interactive PV systems.

Specific Action Needed – Recommend the OPUC adopt net metering rules that require PGE and PacifiCorp to implement annualized net metering and to increase the maximum allowable system size. No legislative change is needed.

3. Oregon Manufacturing

The worldwide market for PV and ST is now in excess of \$30 Billion per year. The California market alone will exceed \$1 Billion in 2006. Manufacturing investments needed to meet world demand are estimated at \$10-20 Billion in 2006. Oregon should not

miss the opportunity to attract and support development of a solar energy industry “cluster” or multiple clusters within the state.

Specific Actions Needed – Provide financial incentives or reduced risk for manufacturers of solar equipment that locate in Oregon. Potential mechanisms:

- Establish a PV manufacturing grant
- Increase BETC maximum eligible project size to \$20 M
- Provide bond financing specific to PV manufacturing
- Require new state buildings to include Oregon built PV or ST technologies

4. Streamline Codes and Interconnection Standards

Significant barriers and uncertainty remain for the installation company selling and bidding on a project caused by inconsistent interconnection, permitting and inspection standards.

Specific Action Needed – Recommend the Oregon Department of Energy host a stakeholders workshop to help establish statewide uniform interconnection, permitting and inspection criteria for solar equipment with recommendations submitted to Governor’s office and state legislature.

5. New Construction

New construction offers the most logical opportunity for solar energy technologies to be successful without the need for incentives. They provide energy at retail rates, increase the value of the home or building, and offset peak load most effectively. Unfortunately the current incentive structures are primarily targeted at retrofit applications. Builders have little or no interest taking all the risk of installing solar equipment when the incentives and benefits go the homebuyer. Moreover, if the homebuyer is from out of state, they cannot use the incentive, even though the equipment is placed in service in Oregon.

Specific Action Needed – Recommend legislation that enables speculative home builders to use state business energy tax credits for new residential construction that incorporates solar energy technologies which results in “zero net energy” homes.

6. Continue Existing Levels of Financial Support

The past 5 years have seen significant growth in both the scale and maturity of the Oregon solar energy industry. The reason for this has been consumer access to significant financial support for installing Photovoltaic (PV) and Solar Thermal (ST) systems. Incentives have reduced simple paybacks on these technologies to less than 10 years.

Specific actions – Include PV and ST set aside in financial support recommendations.