

Summarized Public Comments Received on Community Renewable Energy Project Grant Program Draft Rules

Thank you to all the individuals and organizations who participated in the public hearing and who offered comments during the public comment period for the recent rulemaking. ODOE appreciates your input and the detailed and thoughtful comments and questions you have contributed regarding the draft rules, which have been very valuable for developing the Community Renewable Energy Project grant program.

Commenter	Summary of comments	ODOE response
<p>Ryan Sheehy, Fleet Development (Comment Portal, 12/27/2021)</p>	<p>--0010: Definition of “partner” looks the same as definition of “applicant,” yet elsewhere in the rules the term “partner” appears to mean whomever the applicant is working with to develop a project</p> <p>--0040(3)(a)(D)&(E), -0090(3)(a)(D)&(E): Requirements associated with partners who are private businesses or rental property owners seem to exclude LLCs expressly incorporated for the development, construction and ownership of energy projects, often on leased ground, which is a common organizational structure for this type of project</p> <p>--0040(3)(b) relieve burden on local utility if ODOE accepts completed system studies, interconnection agreements or power purchase agreements as evidence of engineering feasibility</p>	<p>--The definitions of “applicant” and “partner” in the rules match the definitions in the bill. Eligible partners include the same entities who are eligible applicants (federally recognized Oregon Indian tribes, public bodies or consumer-owned utilities) as well as nonprofits, businesses with a business site in Oregon, and owners of rental property in Oregon.</p> <p>-- “Partner” as used in the bill and the rules is an eligible entity that participates in applying for a grant for a renewable energy project that serves an Oregon community. The bill and the rules do not exclude the situation described by the commenter where an LLC is expressly incorporated for the purpose of developing, constructing, and owning the energy project, as long as the renewable energy project meets the requirements in the bill, including that the system serve an Oregon community.</p> <p>--The requirements in 0040(3)(b) allow flexibility to applicants in demonstrating that they have consulted with the electric utility serving the community in question. System studies, interconnection agreements, or power purchase agreements would qualify as evidence that the applicant has consulted with the electric utility(-ies) that serve community members. Proof of engineering feasibility is not required in order to be eligible for a planning grant; planning grant funds</p>

	<p>--0040(5)(d): If the project will be developed by a disadvantaged businesses but constructed by a non-disadvantaged business, does this satisfy the “in part” criteria? Rules should define “in part” with regard to priority for projects “constructed in part or in whole by disadvantaged business enterprises, ...”</p> <p>--0100(1)(f): add utility interconnection upgrade costs to list of eligible costs</p> <p>--Provide more direction about who can receive grant monies, can applicant transfer grant funds to the project in any form (grant, incentive, soft loan), encourages allowing flexibility</p>	<p>may be used for consulting fees that would include engineering.</p> <p>--The bill requires ODOE to give priority to applications that “are for projects constructed in part or in whole by disadvantaged business enterprises, emerging small businesses or businesses that are owned by minorities, women or disabled veterans.” The bill does not define “in part.” The opportunity announcement and scoring criteria will provide more information about the weight given to this aspect of a proposal. ODOE will monitor this aspect of applications and finished projects and may make future rule changes.</p> <p>--ODOE added materials and supplies required for utility interconnection upgrades to eligible costs in - 0100(1)(b)</p> <p>--Sec. 30 (2)(b) of the bill requires that ODOE release grant funds only to the applicant, which is reflected in the rules. ODOE will distribute grant funds only to the applicant, and the applicant will be responsible for making payments to vendors, consultants, or other contractors for all costs associated with the project, such as consulting work, equipment, supplies, or land leases.</p>
<p>Ryan Sheehy, Fleet Development (Public Hearing, 1/26/2022)</p>	<p>Q: is there any restriction in the rules on a project developer purchasing equipment or starting project with own funds before receiving an award? A lack of</p>	<p>--ODOE has amended the rule language in --0050 and -0100 to clarify that expenditures that occur after the application deadline for a particular opportunity</p>



	<p>restrictions would be nice as lead times are long for equipment and developers may want to start their project before the grants are awarded. Developers with shovel-ready projects will want to get started and may decide to go forward even if they don't receive a grant.</p>	<p>announcement may be covered by grant funds, if the applicant is awarded a grant.</p>
<p>Alessandra de la Torre, Rogue Climate; incorporating comments by Solarize Rogue (Comment Portal, 1/10/2022)</p>	<p>Recommends that ODOE:</p> <ul style="list-style-type: none"> --Add rule language that Opportunity Announcements (OAs) will include information about other funding sources for renewable energy projects --Add rule language indicating the type of outreach ODOE will undertake to increase awareness of OAs --Create a mailing list of nonprofits along with materials for posting on their websites to spread awareness of OAs --With regard to utility consultation for both planning and development stages, ODOE does not stipulate any type of mitigation plans in case a respective utility is not cooperating with grant applicants, deems the project unfeasible, or isn't responding in a timely manner. Rogue Climate recommends ODOE to set up parameters in the rulemaking to minimize bias that may occur due to the utility business-model. This can look like requiring utilities to submit a letter outlining why 	<ul style="list-style-type: none"> --ODOE will compile information about other funding sources for renewable energy projects, and consider the best ways to make the information accessible to communities, such as flyers and website content --ODOE appreciates the ideas for additional resources to assist communities, and will consider whether future rule changes are needed regarding outreach --The rules allow flexibility in how planning grant applicants document that they have met the requirement for consultation with the local electric utility without requiring the applicant to supply correspondence from the utility, in response to similar concerns expressed during the advisory committee process. ODOE believes that cooperation and coordination between project developers and the local utility is necessary to make projects



	<p>they concluded a project is not feasible or recommended.</p> <p>--Add interconnection agreement to list of documents applicant may submit as evidence of consultation with utility</p> <p>Questions raised by members of their organizations and local community: --How does this program connect with Community Solar program?</p>	<p>successful and will consider whether future rule changes are needed.</p> <p>--The draft rules are not prescriptive regarding the documentation that may be submitted as evidence of consultation with the local electric utility; an interconnection agreement will meet the requirement.</p> <p>--Community Solar projects may apply and receive grant funds under the program, if they meet program eligibility requirements. Only expenditures made after the application deadline for a grant may be covered by community renewable energy grant funds.</p> <p>Community solar projects will have an added challenge in declaring the value of incentives from other sources. The rules and bill language prohibit projects from receiving incentives that exceed the total project cost. Projects enlisted in the Oregon Community Solar Program will have to quantify the value of utility incentives provided over the 20-year term of utility payments. One opportunity would be for community solar projects to add battery storage or other community energy resilience components to the project. Energy resilience components are eligible project costs in the program, and it is assumed they would not receive incentives through utility community solar payments.</p>
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	<p>--What if project is cancelled due to interconnection study showing that utility will require expensive upgrades – will grant funds need to be returned?</p> <p>--What is expected turnaround time for awarding grants?</p>	<p>-- The bill and rules allow ODOE to release up to 30 percent of a project development grant award upon the applicant and ODOE entering into a performance agreement, which could occur before the project developer has achieved an interconnection agreement. ODOE plans to customize individual performance agreements to take into account the status of each project, including language around recovering funds. (see similar question below by Ray Sanchez-Pescador)</p> <p>--A review schedule will be included with each Opportunity Announcement</p>
<p>Raphaela Hsu-Flanders, Evan Ramsey, Tomas Endicott, Bonneville Environmental Foundation (Comment Portal, 1/28/2022)</p>	<p>--Completion of planning grant work within six months is very tight timeline; planning process for tribal/nonprofit projects can take many months or even years; a short timeline will give advantage to partially developed projects, compared to new projects; advocate a process for extensions</p> <p>--Project plan should be worth more points than equity for grants; technical and financial feasibility are paramount to a project’s success and delivery of benefits to EJ communities; propose 40 points for project plan and 30 points for equity</p> <p>--Projected cost savings generated for community members should be a criteria under “direct project benefits” for planning grants, worth 10 points; economic savings are often the most meaningful</p>	<p>--The timelines in the draft rules are the same as provided in the bill, and ODOE staff realizes that many grantees will be challenged to meet these timelines; the rules allow for ODOE to grant extensions.</p> <p>--ODOE will take these comments on the scoring matrix into account for the initial and future opportunity announcements.</p>



	<p>direct benefit for community members; important to demonstrate their plans for direct benefits in the future, whether resilience or cost savings</p> <p>--Instead of "increase local jobs" they suggest "workforce development and job training opportunities" as a criteria for project development grants; a single project doesn't often lead to an increase in long-term jobs, but provide opportunities for job shadowing; points could be awarded for projects including job training opportunities</p>	
David McFeeters-Krone, Intellectual Assets (Comment Portal, 1/28/2022)	Q: will the scoring matrix include points for dual use solar, particularly agrivoltaics (farming/ranching under PV arrays)?	--ODOE will consider this idea regarding the scoring matrix for the initial and future opportunity announcements.
Alex Schay, Carbon Solutions Northwest (Public Hearing, 1/26/2022)	Q: when to expect first OA to open, what amount of funds will be available in the first round?	--ODOE's intention is to open up the OA in March 2022. Funding allocation for first OA not determined yet. Total appropriation for the project is \$50 million, roughly \$25 million per biennium. We want to get funds out the door as soon as possible since ODOE has administrative responsibilities to complete in the two biennia.
Janet, question in virtual chat (Public Hearing, 1/26/2022)	Q: why are nonprofits not eligible applicants? Why only government entities?	--The decision was made by legislators to foster partnerships between the different public bodies and community organizations. With public entities as eligible applicants, it limits the number of possible applicants and keeps the administration costs lower; this may also be a way to potentially pilot the approach the program is taking.
Ray Sanchez-Pescador, Solarize Rogue (Public Hearing, 1/26/2022)	--Concerned about 6-month timeline for planning projects; many projects with Community Solar	The six-month timeline comes from the bill. ODOE shared similar comments about this timeline during the legislative process in 2021. Planning grant



	<p>Program and Energy Trust are taking two years or more, only about 10 percent are completed so far --Most Community Solar Program projects are still in the planning phase, suggests reaching out to Energy Trust to get data on the amount of time required to get through the planning stage – great source of data</p> <p>--Could ODOE expand upon the circumstances under which the department would recover grant funds? For example, what about a project that gets to the construction phase but then needs to cancel due to unforeseen circumstances. If the money has already been spent, how is the applicant expected to refund it?</p> <p>--Will scoring favor smaller projects over larger ones? Small projects need more financial help due to economies of scale</p>	<p>timeline is six months; project grant timeline is three years with construction to begin within one year of signing performance agreement. Bill offers ability to extend for both types of grants, which is reflected in the rule language. ODOE appreciates the referral to Energy Trust for community solar program data.</p> <p>-- For a planning grant, ODOE would not seek to recover funds for planning that is completed even if the planning determines that the project is not feasible. For both types of grants, the rules allow ODOE to release up to 30 percent of a grant award upon the applicant and ODOE entering into a performance agreement, which in the case of a project development grant could occur before the project developer has achieved an interconnection agreement. ODOE plans to customize individual performance agreements to take into account the status of each project, including language around recovering funds. It is possible that some grant funds could be recoverable by ODOE for projects that are not completed within 36 months and do not receive an extension.</p> <p>--ODOE will consider this input for the scoring matrix for the initial and future opportunity announcements.</p>
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<p>Angela Crowley-Koch, OSSIA (Public Hearing, 1/26/2022)</p>	<p>--Shares concern about short planning timeline, and was confused in reading the rules; Page 10 – six months for planning grants --planning often takes years for larger projects; only projects which could meet six-month timeline are those that have already started</p> <p>--Page 5: The draft rules have language around extensions for “good cause;” perhaps language like “reasonable cause” would be better; there may be better ways to achieve project aims while being flexible; examples: delays from utility studies, not unforeseen, but reasonable standard that is used by the PUC might be a better example</p> <p>--Recommends that rules do not add consultation requirements beyond what is in the bill, given the short timelines; seems like a lot of consultation requirements for the planning stage – every consultation added to the process makes finishing within timeframe less likely</p> <p>Q: Would there be new information or criteria in the opportunity announcement that are not in the rules,</p>	<p>--Rule language reflects the timeline from the bill: six months for planning grants; project grants must start construction within one year and complete within three years, with possibility of an extension.</p> <p>--The language in the bill regarding “good cause” includes a reference to “significant, unforeseeable or uncontrollable delays.” ODOE has mirrored this language in the program rules and has added language including examples of what good cause could include.</p> <p>--The bill requires applicants to consult with electric utilities that have customers that would be covered by a renewable energy project, and with regional stakeholders. The rules require applicants to show evidence of consultation with the local electric utility, while trying to provide flexibility as to what this consultation would consist of. The rules request that applicants include a description of consultation with community groups and any other community engagement by the applicant, but do not require additional consultation beyond what the bill requires.</p> <p>--With the opportunity announcement ODOE plans to have a scoring matrix which will be based on</p>
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	<p>or may be added later outside a rulemaking? If so, her organization would like a chance to comment or have the advisory committee able to comment on additional criteria; she needs to be able to run by her members</p> <p>--Planning grant section on page 9: “electric utilities” are not defined; Would be good to include a definition of “electric utility”</p> <p>--Q: Can a grant be used by any electric utility? for a planning grant, can a project be located in investor-owned utility territory, if drafted in consultation with a non-IOU?</p>	<p>the rules, but we would want flexibility in the weight given each criteria from opportunity announcement to opportunity announcement; all criteria will come from the rules and will be published in the opportunity announcement.</p> <p>--There will be an opportunity to comment on draft scoring matrix at advisory committee meeting 1/28/2022, as well as at future advisory committee meetings which are open to the public and reserve a time for public comments. You may also email James Cogle, rulemaking coordinator for ODOE, with comments on scoring criteria.</p> <p>-- ODOE has added a definition of “electric utility” which is the same definition as this term has in statute. This term includes both investor-owned utilities and consumer-owned utilities.</p> <p>--Under the bill, only consumer-owned utilities are eligible applicants. However, investor-owned utility territory may be served by the project, and the bill requires that applicants must consult with electric utilities that have customers in the communities covered by the proposed project in the application which would include an IOU if the project would serve customers in the IOU’s territory. The bill requires that “the project will be located in and benefit a community in this state but outside a city</p>
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	--Are leased systems eligible to receive grant funds?	with a population of 500,000 or more,” which means the project cannot be located in Portland. --Leased systems are eligible if they meet the requirements in the bill and the rules. Specific requirements related to the lease terms may be included in the performance agreement.
Laurie Hutchinson, Obsidian Renewables (Public Hearing, 1/26/2022)	--Underscore point about seeking comments from Community Solar Program about time required for planning; PacifiCorp has a “cluster” approach, they evaluate several projects as part of the same cluster which can take many months --Helpful to get as much flexibility in the rules as possible; some COUs will be ready to go and others are looking at projects like this for first time, projects will need a lot of flexibility in the planning process	--The bill provides timelines for planning and project completion, while allowing for the extension of project deadlines; the rules reflect the timing in the bill. --Several commenters have mentioned the need for flexibility regarding project completion time, and ODOE will closely watch this aspect of project development.
Spenser Meeks, Apex Presentations (Public Hearing, 1/26/2022)	--curious to know more about how ODOE plans to build outreach and awareness of funds	--Outreach planned to happen throughout program and hope to start as soon as possible.

