

## Hearing Officer Report

**Date:** April 4, 2022  
**To:** Oregon Department of Energy  
**From:** James Cogle, Rulemaking Coordinator  
**Subject:** Hearing Officer's Report on Rulemaking Hearing  
**Hearing Date:** March 22, 2022  
**Hearing Location:** Online

**Rule Filing Caption:** Amendments to Solar Plus Storage Rebate Program.

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The rulemaking hearing on the proposed rules was convened at 4:08 p.m. Eight members of the public attended along with seven Oregon Department of Energy staff, including the hearing officer. People were asked to state their names, affiliations, and whether they wished to comment on the proposed rules. They were informed of the procedures for taking comments. They also were told that the hearing was being recorded.

Before receiving comment, James Cogle briefly summarized the proposed rules.

### Summary of Oral Public Comments

**Lara Worcester, A&R Solar:** Appreciate the changes that have been made and would like to say that the industry and stakeholders are best served by a more stable and long-term incentive program. Not one with multiple cliff events and regular return visits to the legislature in hope of reopening the program like this one will do. We feel the current approach is unsustainable, resulting in undue stress and uncertainty within the industry and for our customers. We think the best way to extend this program's timeline and to increase access to more Oregonians is by removing the 2024 sunset date and reducing the non-income restricted incentive rate. This will put more money in the hands of more Oregonians and will lead to more clean energy development and deployment and create and preserve more jobs for the same cost to the State and fellow taxpayers. We do not want to support any changes that will speed up the rate of non-income restricted incentive reservations.

**Angela Crowley-Koch, OSSIA:** The one thing I would like to make comment on is a potential idea to address the supply issue we are seeing with battery storage systems. We are seeing very long delays from the time of ordering the battery storage system to the time it is delivered and it could be up to a year for some of these systems. I appreciate the change made in the rules to allow for more extensions for projects for any reason. However, if the project is delayed for up to a year because it is waiting for the battery system to be delivered, that does put a limit on the installer and keeps them applying for other projects because of that twenty-project cap. It

seems like one way to help ease that burden on contractors would be to lift that cap slightly to twenty-five reservations available for the income restricted and twenty-five reservations for the non-income restricted funding. This slight increase will give more flexibility to continue being able to offer rebates to customers while not being held back by supply chain delays for battery storage systems. I think this would really help ease some of the strain contractors are feeling from the supply chain issues and would also help more storage systems be installed. OSSIA worries that if this change isn't made that storage systems might not be applied for in the rebate system because contractors know there will be so many delays.

**John Grieser, Elemental Energy:** We have three points we would like to bring up:

1. Increasing the number of slots per contractor. As of today, we have over half of our slots hung up with supply chain issues or other permitting issues. If we can have more slots available, we can process more applications, getting more Oregonians more solar in a quicker timeline.
2. We would like to decouple the rebate with storage being unpaired from solar. Many Oregonians were early adopters and have already gone solar and would like to retrofit with storage. Storage costs have not quite reached parity with solar. Programs like this can help achieve that. But only if we can decouple it from solar projects and allow solar projects to go forward with solar alone.
3. We would like the transfer switch device to be recognized as battery storage technology in place of the battery so that those systems can move forward. We can install that critical battery specific component and clear out the queue and bring more Oregonians into the queue in their place.

**Zach Sippel, Elemental Energy:** I would like to tag onto some of the other comments, specifically regarding supply chain issues. We have projects that are reserved for incentives, mostly installed and mostly solar paired with storage installations. We have waited a year and maybe a year more, specifically for batteries. I would like to see or recommend either an increase in the number of slots or the consideration of a storage only pool. Energy Trust similarly offers incentives for solar and are soon to offer advanced (storage) solar incentives. That follows suit with the programmatic division of project types. If we can have reservations that are storage specific, market rate solar specific, and low income specific in addition to the commercial based solar incentive pool, that allows us to install more systems and make these funds accessible to more Oregonians.

## Written Comments

No written comments were submitted during the hearing.

## Close of Hearing

The hearing was adjourned at 4:37 p.m. The public comment period closed at 5 p.m. on March 29, 2022.

## Summary of Written Comments Submitted During Public Comment Period

Name	Comment Summary
Caitlin Loughran	Prioritize or directly communicate to low- and middle-income households. Make procedure and paperwork clear.
Gerard Boulanger, HTS	Mention of race not needed as program based on income.
Patricia Guild	Consider those who do not benefit from tax rebates and cannot install solar on roof.
Aaron Eddy, Earthlight Technologies	Allow contractors up to 5 new construction project reservations in each segment, LMI and Non LMI, that would not go against the 20-project limit. New construction requires work to begin well in advance of the project being completed. Meaning we have project reservations that are reserved in the early rough in construction phase but not completed for 6-12 months after due to construction schedules outside the control of the ODOE contractor.
Lara Worcester, A&R Solar	<ul style="list-style-type: none"> <li>• Extend sunset date of the program beyond 2024.</li> <li>• Decrease rebate to \$0.10/watt up to \$2000 for PV and a max storage rebate of \$1000 for customers eligible for ETO/utility incentives.</li> <li>• Publish regular budget updates.</li> <li>• Allow contractors to move an incomplete or delayed project into a “hold” or “delayed” status without needing to completely resubmit the application after it has been withdrawn.</li> <li>• Supports the rule amendment to provide an additional reservation extension. Would also request additional extensions be granted in the case of demonstrated product delays and potentially other issues outside the customer’s or contractor’s control.</li> <li>• Supports the Federal Income Tax transcript addition.</li> <li>• Would oppose allowing automatic transfer switch to serve as the battery storage technology in place of the battery while contractors wait for supply chain issues to resolve.</li> </ul>
Reeves Clippard, A&R Solar	<ul style="list-style-type: none"> <li>• Supports changes to OAR 330-240-0020(1)(b), 330-240-0030(16), 330-240-0060, and 330-240-0070.</li> <li>• Request an additional extension be granted in the case of demonstrated delays caused by a factor outside the customer’s or contractor’s control.</li> <li>• Reduce rebate rates for non-income restricted customers.</li> <li>• Publish regular budget updates, particularly when remaining funds are below 20%.</li> <li>• Allow contractors to resubmit a withdrawn application without recreating an entirely new application.</li> </ul>

Ryan Sheehy, Fleet Development	OAR 330-240-0070. Some multifamily affordable housing requires rent to be calculated based upon a tenant's income and includes utilities. Therefore, lowering the cost of energy would not lower rent.
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## ODOE Evaluation of Comments

ODOE received several comments regarding the rebate reservation limit set in OAR 330-240-0150. ODOE recognizes the concerns raised by those who commented and appreciates the creative solutions proposed. However, this rule was not open during this rulemaking period and so was out of the scope of this rulemaking action. ODOE anticipates reviewing the rebate reservation limit later in 2022; following this review, a further rulemaking action may be conducted.

OAR 330-240-0100 and 330-240-0110, which contain the incentive rates, were not open during this rulemaking period and so were out of the scope of this rulemaking action. ODOE anticipates reviewing the incentive rates later in 2022; following this review, a further rulemaking action may be conducted if it is concluded that changes should be proposed. Changes to the maximum rebate amounts would require a change in the legislation.

Suggestions about providing a storage-only rebate, recognizing the transfer switch device, and removing the sunset date would all require a change in the legislation.

Providing additional reservations extensions beyond those already proposed in the draft rules was suggested. ODOE understands the desire to provide flexibility for contractors who are experiencing supply chain issues. While evaluating this issue, ODOE considered the current operational date of the program and will not be adopting additional reservation extensions beyond the extension initially proposed in the amendment.

Comments received regarding OAR 330-240-0070 related to how rent was calculated in affordable housing that is offered under the Housing and Urban Development Section 8 program for housing choice vouchers, which is administered by Housing Authorities in Oregon. However, the proposed addition to the rule applies to housing development or rental assistance programs administered by Oregon Housing and Community Services Department. Affordable housing funded through OHCS is not required to calculate rent on the individual tenant income levels, and tenants typically pay their own utilities. It is hoped this differentiation will still allow some prospective solar system owners to access the program as a low-income service provider, and for some low- and moderate-income tenants to receive offset electric utility expenses.

ODOE appreciates all the comments provided. We will continue to seek ways to improve the program and its delivery.