

Senator Merkley is soliciting ideas for legislation to advance energy democracy to strengthen communities and create high quality jobs while combating the climate crisis.

He asks that submissions be made by March 31, 2020.

PURPOSE

- The goal is to promote energy democracy through the development of decentralized and community-owned and community-benefiting energy systems.
 - o Incentivizing the development of decentralized energy systems will reduce household energy costs, lower localized pollution, build environmental wealth for communities, and enhance community and climate resiliency.
 - o Distributed renewable energy systems allow communities, especially tribes, communities experiencing lower incomes, and black, indigenous, and other communities of color, to benefit from the economic opportunities of the clean energy economy and make their own choices in the transition to renewable energy.

BACKGROUND AND NEED FOR LEGISLATION

- Decentralized and democratic clean energy systems are vital to helping the U.S. transition to a decarbonized energy system and a modernized grid.
- Decentralized, community-owned and community-benefiting energy systems provide numerous direct benefits for communities—particularly tribes, communities experiencing lower incomes, and black, indigenous, and other communities of color—by lowering energy bills, building wealth, enhancing community and climate resiliency, creating jobs, and generally, democratizing energy choices and access.
- Building distributed energy resources close to load (the point of use) increases the efficiency of electricity transmission and distribution. It also creates jobs for the local workforce, reinvests profits back into the community, and helps people feel more connected to the resources that create their electricity.
- Wherever possible, community-owned and community-benefiting energy systems should use system components produced in the US and contractors, electricians, and installers that provide high-quality jobs to the local community and use prevailing wage and good labor practices.
- Microgrids and storage can alleviate the effects of power outages due to extreme weather events, or other natural disasters, and reduce wildfire risks, boosting climate resilience and safeguarding public health, safety, and access to electricity. They also help harden and modernize the grid and create opportunities for demand response to help manage load.

- Decentralized systems reduce the environmental impacts typically associated with large-scale installations of clean energy by utilizing commercial and residential rooftops and existing parking areas.
- Net-metering allows customers who create surplus energy to sell it back to a utility. Community energy systems frequently rely on virtual net-metering, as the electric generating source is not directly connected to the electricity meter of the energy consumer. However, not all utilities offer net-metering and even fewer offer virtual net-metering. New solutions are needed to value community-owned and community-benefiting generation.
- Currently, forty states have at least one active community solar project, and at least nineteen states and the District of Columbia have policies and programs that encourage shared renewables. These projects may be models for a federal program and are a means to give access to renewable energy to people who are not homeowners, lack capital, or face other barriers.

Senator Merkley's office is soliciting feedback on:

- Existing state programs that could be adopted at the federal level;
- Barriers that exist to the wide-spread development of decentralized and community-owned, community-benefiting energy and how the federal government can help overcome them;
- The role of the Federal Energy Regulatory Commission (FERC), the Department of Energy (DOE), and other federal agencies in advancing community energy projects;
- Effective incentives to:
 - o encourage adoption of decentralized energy systems in communities, particularly with tribes, low-income communities and communities of color, and
 - o help to shift financing and investment models in renewable energy to center and benefit black, indigenous, and other communities of color or communities experiencing lower incomes.

Examples of existing state programs that could be adopted at the federal level:

[Portland Clean Energy Community Benefits Fund](#)

- The Clean Energy Community Benefits Fund passed by a ballot initiative in November 2018.
- The Fund charges a 1% sales tax on large national retailers with \$1 billion in national revenue and \$500,000 in revenue in Portland.
- The surcharge is estimated to raise between \$44 million to \$61 million in Portland, which will be used to support community energy projects.

California Solar Initiative Multifamily Assistance Solar Housing (MASH) Program

- The MASH program provides fixed, up front, capacity-based incentives for qualifying solar energy systems on affordable housing units.
- Includes provisions for job training and employment opportunities in energy efficiency and solar energy system projects.
- Requires participants to enroll in an Energy Savings Assistance Program that provides no-cost weatherization services to low-income households.

Please submit all comments or suggestions to EnergyDemocracy@merkley.senate.gov.