

# C-REP Draft Rule Amendments

The Oregon Department of Energy is proposing administrative rule amendments that reflect changes to the Community Renewable Energy Grant Program made during the 2024 legislative session. The Department has also taken the opportunity to review the program and is considering additional amendments aimed at improving the program or clarifying the rules.

## Rule Amendment Proposals

In 2024, Section 7 and 8 of SB 1529 made three main changes to the Community Renewable Energy Grant Program that ODOE is proposing to amend program rules to incorporate. The legislative changes were to:

- Allow partner costs to be considered part of the project planning and construction costs.
- Further define electric cooperatives to include those that generate, purchase, or obtain power or represent consumer-owned utilities in meeting certain objectives.
- Allow for an additional release of up to 30% of grant funds during the performance period of a construction grant, if certain criteria — to be set in rule — are met.

The program is incorporating these changes into rule with the following additional amendments to assist in implementing the changes:

- a. Further defining the term “partner,” with the addition of the bold text, to mean an entity listed as a partner to an eligible applicant on an application for a grant award. A partner may be a federally recognized Oregon Tribe, public body, nonprofit entity, private business with a business site in Oregon, or owner of a rental property in Oregon. **A partner may assist or take a lead role in the acquisition, installation, construction, or planning of a community renewable energy project. A partner may have a financial or ownership interest in the project. An entity whose only role is the provision of goods or services through a procurement contract is not considered a partner.**
- b. Requiring applicants with a partner to have a written agreement with the partner, prior to any release of funds from ODOE to the applicant, that includes certain provisions, including but not limited to provisions around inspection of the site and auditing documentation.
- c. Specifying that the grantee must demonstrate they or a partner of theirs has met the following criteria prior to release of a second 30% of grant funds for construction grants:
  - A. Fulfilled all the requirements for release of the first 30%;
  - B. Incurred eligible costs equaling a minimum of 25% of projected grant monies prior to a request for additional grant monies;
  - C. Provided an updated project budget that details eligible and ineligible costs;
  - D. That construction or installation of the renewable energy system has started at the project location or will start no later than 60 days after the submission of the request for grant monies, and not later than the required construction start date in the performance agreement. This may be demonstrated by submitting to the Department approval from the authority having jurisdiction for construction of the system to start alongside supporting documentation such as bills of lading, contractor agreements, or other relevant and timely documentation; and
  - E. Met any other requirements provided by the Department in the performance agreement.

The following additional rule changes are being proposed:

- d. That a construction grant, like a planning grant, may not be used to cover any fixed costs the applicant would incur in the applicant's normal course of business such as existing staff salaries or overhead costs.
- e. Removing the restriction preventing amendments to applications.
- f. Language changes aimed at improving the clarity of the rules.

### **Administrative Rule Process**

The Oregon Department of Energy is seeking feedback from the public on these potential administrative rule amendments. You can provide comments about the proposals and other rulemaking items by emailing [community.grants@energy.oregon.gov](mailto:community.grants@energy.oregon.gov) or by attending a webinar on June 4, 2024. The rule amendments will also be discussed at the Community Renewable Energy Grant Program Advisory Committee meeting on June 10, 2024, at the end of which there will be time available for public comment. Please ensure written comments are submitted by 5 p.m. on Friday June 7, 2024. ODOE will review and consider comments, then produce and file draft rules with the Secretary of State. The draft rule language may include one or more of these proposals following a review of any comments. The Department will then notify stakeholders and open a new comment period for the public to weigh in and comment on the draft rule language.