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QuickPoint! - Liability, Not Reliability: Solar Panels in Oregon Schools

By Ethan Rohrbach

In 2007, the Oregon Legislature passed House Bill 2620. The law mandates any major infrastructure project over \$5 million, or any renovation which exceeds 50% of the current building's value, to devote 1.5% of its entire budget to "Green Energy Technology" (GET). Since 2014, more than 50 of these statewide projects have been for schools, where solar panels are overwhelmingly the GET of choice.

Reports submitted to the Oregon Department of Energy show that two-thirds of school projects are outfitted with solar panels that will not break even on their investment for the next 50 years. The industry-accepted break-even limit is 25 years, assuming they last that long before requiring replacement.

A project cannot be excused from the 1.5% rule simply because the GET is not costeffective. School districts that expressed concerns over this, including McMinnville and LaGrande, were allowed to defer costly GET installations to future construction projects. However, that postpones the expenditure.

The Board of Portland Public Schools plans to spend more than \$22 million on solar arrays at rebuilds of Cleveland, Jefferson, and Ida B. Wells high schools; and none of them will pay for themselves. If taxpayers knew about these investments, it's unlikely they would approve.

The Oregon Legislature should either repeal the 1.5% GET mandate or allow project sponsors the freedom to opt-out if projects are too expensive.

Ethan Rohrbach is a Research Associate at Cascade Policy Institute, Oregon's free market public policy research organization.

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