

# D R A F T

## SUMMARY

Establishes community net metering for purpose of allowing subscribing customers to receive on-bill credit for portion of electricity produced by community net metering facility.

### A BILL FOR AN ACT

Relating to community net metering.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 757.**

**SECTION 2. (1) As used in this section:**

**(a) “Community net metering facility” means a facility located in this state for the production of electrical energy that:**

**(A) Is connected to an electric utility’s distribution system behind a production meter;**

**(B) Has a generating capacity of no greater than two megawatts and no less than 10 kilowatts; and**

**(C) Generates electricity, using solar power, for which a subscribing customer within the same distribution system may receive on-bill credit.**

**(b) “Distribution system” means a system:**

**(A) Designated by an electric utility;**

**(B) That contains distribution lines, substations, switches, transformers and other distribution hardware, continuously connected at below 40 kilovolts, that are owned by the designating utility; and**

1 (C) That contains other additional infrastructure as designated by  
2 the electric utility.

3 (c) "Electric utility" means a public utility, a people's utility dis-  
4 trict operating under ORS chapter 261, a municipal electric utility op-  
5 erating under ORS chapter 225 or an electric cooperative organized  
6 under ORS chapter 62.

7 (d) "On-bill credit" means a credit of kilowatt hours applied to a  
8 subscribing customer's bill to offset the consumption of electric en-  
9 ergy.

10 (e) "Retail electricity consumer" means a retail electricity con-  
11 sumer, as defined in ORS 757.600, that is located in this state.

12 (f) "Subscribing customer" means a retail electricity consumer, or  
13 an aggregate of retail electricity consumers, that receives on-bill  
14 credit for electricity generated by a community net metering facility.

15 (2)(a) An electric utility that makes sales of electricity to retail  
16 electricity consumers in an amount that equals three percent or more  
17 of all electricity sold to retail electricity consumers in this state shall,  
18 and all other electric utilities at their discretion may, grant on-bill  
19 credit as described in paragraphs (b) and (c) of this subsection to a  
20 subscribing customer, provided that the community net metering fa-  
21 cility generating electricity for the subscribing customer provides the  
22 electric utility with:

23 (A) A single point of contact;

24 (B) A list, to be updated no more than one time per year, of all  
25 subscribing customers that are to receive on-bill credit for electricity  
26 generated by the community net metering facility; and

27 (C) The proportion or block of generated electricity assignable to  
28 each subscribing customer.

29 (b) The electric utility granting on-bill credit shall grant on-bill  
30 credit to a subscribing customer for the subscribing customer's por-  
31 tion of electricity generated by a community net metering facility in

1 a manner that approximates the benefit of net metering, as described  
2 in ORS 757.300. However, if subtracting kilowatt-hours from a sub-  
3 scribing customer's utility bill and, thereby, reducing the subscribing  
4 customer's bill due to fewer kilowatt hours being charged at the sub-  
5 scribing customer's normal retail rate is not a preferable accounting  
6 practice for an electric utility, then the electric utility may apply a  
7 credit of a dollar amount to the subscribing customer's bill against  
8 charges for the consumption of electric energy, provided that the dol-  
9 lar amount affords the subscribing customer with savings that are  
10 equal to the savings that the subscribing customer would accrue if the  
11 subscribing customer received on-bill credit. Other accounting prac-  
12 tices providing equivalent benefit to a subscribing customer may be  
13 adopted by rule by the Public Utility Commission, for a public utility,  
14 or the governing body, for a municipal electric utility, electric coop-  
15 erative or people's utility district.

16 (c) If a community net metering facility generates more kilowatt  
17 hours for a subscribing customer than the subscribing customer con-  
18 sumes during a billing period, the electric utility shall credit excess  
19 kilowatt hours to successive billing periods in the same manner as an  
20 electric utility provides credit for net metering facilities under ORS  
21 757.300 (3)(c) and (d).

22 (d) The electric utility granting on-bill credit may not charge a  
23 subscribing customer a fee or charge that would increase the sub-  
24 scribing customer's minimum monthly charge to an amount greater  
25 than that of other customers in the same rate class as the subscribing  
26 customer.

27 (3) An electric utility may charge a community net metering facil-  
28 ity a fee to cover the reasonable administrative expenses of providing  
29 on-bill credit. The fee adopted under this subsection shall be adopted  
30 by rule by the commission, for a public utility, or the governing body,  
31 for a municipal electric utility, electric cooperative or people's utility

1 **district.**

2 (4) In order to mitigate an electric utility's administrative burden  
3 while maintaining accessibility for community net metering, the  
4 commission, for a public utility, or the governing body, for a munici-  
5 pal electric utility, electric cooperative or people's utility district, may  
6 adopt by rule limits on the minimum output of a community net me-  
7 tering facility assignable to a subscribing customer.

8 (5) An electric utility shall make information on the extent of the  
9 electric utility's distribution systems available to its customers.

10 (6) This section does not obligate an electric utility to grant on-bill  
11 credit to subscribing customers that are not served by the electric  
12 utility.

13 (7) A subscribing customer is the owner of a renewable energy cer-  
14 tificate established under ORS 469A.130 that is associated with a  
15 megawatt hour generated for that subscribing customer by a commu-  
16 nity net metering facility.

17 (8) An entity that owns a community net metering facility:

18 (a) Is the entity eligible for any applicable state incentives, as  
19 identified by the State Department of Energy;

20 (b) Is the entity responsible for paying interconnection costs and  
21 meter fees associated with interconnecting the community net meter-  
22 ing facility and the electric utility; and

23 (c) Is the entity responsible for tracking renewable energy certif-  
24 ication available to subscribing customers under subsection (7) of this  
25 section.

26 (9) A community net metering facility and a subscribing customer  
27 are not public utilities, as defined in ORS 757.005, for purposes of this  
28 section.

29 (10) Participation in community net metering as described in this  
30 section is not a purchase of or an offer to purchase a security.

31 **SECTION 3.** (1) Until the Public Utility Commission, for a public

1 utility, or the governing body, for a municipal electric utility, electric  
2 cooperative or people's utility district, adopts the fee authorized by  
3 section 2 (3) of this 2013 Act, an electric utility may charge a commu-  
4 nity net metering facility a fee not to exceed \$400 plus \$10 per sub-  
5 scribing customer per year for purposes described in section 2 (3) of  
6 this 2013 Act.

7 (2) Until the commission, for a public utility, or the governing body,  
8 for a municipal electric utility, electric cooperative or people's utility  
9 district, adopts limits on the minimum output of a community net  
10 metering facility assignable to a subscribing customer under section  
11 2 (4) of this 2013 Act, an electric utility may decline to offer on-bill  
12 credit for a proportion of the output of a community net metering  
13 facility assignable to a subscribing customer as long as the proportion  
14 of the output is expected to be less than two megawatt hours per year.